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NATIONAL MUNICIPAL REVIEW

JANUARY ✦ 1937

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• • • GEORGE H. DESSION

Bondholders' Protective Committees and Municipal Credit
• • • ROBERT F. DENISON

Three Cincinnati Elections
• • • HENRY BENTLEY

The London Passenger Transport Board
• • • JOHN A. FAIRLIE

Power District Legislation
• • • ROBERT D. BAUM

Annual Appraisal of Municipal Reports
• • • CLARENCE E. RIDLEY

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NATIONAL MUNICIPAL LEAGUE

THE LEAGUE'S BUSINESS

League Chapter in Toledo.—During the recent annual meeting of the National Municipal League in Toledo, President Dodds called a conference of interested Toledo persons to discuss the advisability of establishing a local League chapter in that city. Approximately twenty-five persons attended the meeting, over which Dr. Philip Curtis Nash, President of the University of the City of Toledo, presided.

Dr. Thomas H. Reed, director of the League's Consultant Service, presented to the gathering the desirability of closer coöperation between the forward-looking people of the city of Toledo and the National Municipal League. His proposal that the Toledo citizens present organize a local chapter of the League, to be made up of an increasing number of Toledo members, was unanimously adopted. The following organization committee was appointed: Mrs. Ralph E. Dugdale, President, Toledo League of Women Voters; Louis L. Eppstein, President, LaSalle and Koch Company; O. Garfield Jones, University of the City of Toledo; Earl O. Lehman; and Charles F. Weiler.

Fifteen of those present signed up for membership in the League, pledging from five to fifty dollars each.

The local group has already made arrangements for the city's eight high schools and four of the thirteen branches of the public library to be made members of the League and receive regularly the National Municipal Review and other League publications. Arrangements will be made shortly for the remaining libraries to receive memberships.

* * *

Executive Committee Meeting.—On December 17 the executive committee of the National Municipal League met at the home of Richrad S. Childs, chairman of the League's council, at which time a number of interesting and important matters were discussed.

Dr. P. P. Womer, president emeritus and head of the department of citizenship of Washburn College and chairman of the executive board of the National Federation of Citizens' Councils, was appointed to the vacancy on the council created by the inability of Charles Evans Hughes, Jr., to accept the place to which he was recently elected. Charles F. Weiler, original instigator and leading spirit in the movement to secure the manager plan for Toledo, was appointed an honorary vice-president of the League.

Formation of two new League committees was approved: (1) A committee to study the work of the Financial Statistics of Cities Division of the Bureau of the Census and make recommendations with respect thereto; and (2) a committee on program and development of the League's activities. Announcement of the personnel of these committees will be made shortly.

* * *

Appreciation from Abroad.—In a recent communication to the National Municipal League from Arthur Collins of Westminster, London, Mr. Collins wrote: "I find your communications are alive with interesting matter and the comparative study of American and British local government administration which your communications afford to one immersed in British practice is most actively aided thereby."

Mr. Collins is an authority in Great Britain on public finance, having been a financial officer with various public bodies since the beginning of this century and being at present financial adviser to public authorities. He is well known abroad, having represented British local government finance at many international congresses. Howard P. Jones, *Secretary*

LETTER TO THE EDITOR

To the Editor of the National Municipal Review:

I was surprised to read on page 560 of your October number your short editorial castigating the state of Washington 40-mill tax limit initiative along with several others throughout the country.

You may be right that some tax limitation laws are vicious, but we think that ours in Washington is not only efficient, but a very important step forward in matters of local government. You realize, of course, that our law provides for levies beyond the 40 mills (on a 50 per cent legal valuation base) to take care of pre-existing debts.

That the people of the state are well pleased with it is attested by the fact that the law which was passed two years ago was re-enacted by a very large majority this month [November]. It has been the most satisfactory method of holding down state, county, municipal, and school district levies to a reasonable figure, and has done a great deal toward keeping many of the budgets down and within reason. We have, of course, resorted to certain other forms of taxation, but there is no criticism of keeping the tax on real property down to a point where it will not become valueless. One of the reasons that our people continue to be in favor of this law is that we have had a great deal of property given back to the state for taxes during the last decade or so.

Please do not do us the injustice of further castigating our Washington tax limit law.

Sincerely yours,

J. W. Clise, Jr.

Editorial
Comment
❖
January, 1937

NATIONAL MUNICIPAL REVIEW

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When Our Neighbor's Business Is Ours

Several phases of the problem of tax delinquency were discussed on the editorial page of last month's Review and citizens urged to press toward a solution of this knotty problem which underlies most of the financial difficulties with which municipalities are still struggling. One of the interesting effects of leaving long delinquent property on the tax rolls which was not mentioned is revealed in a recent report of the Rochester Bureau of Governmental Research made for the special committee on town and county finances of the city council.

Examination of the sources of the tax delinquency in Monroe County showed that 99.67 per cent of the deficit had its origin in the area embraced by but four of the twenty governmental units of the county. Further inquiry revealed that nineteen special assessment districts (paving in this case) in one of these units accounted for 96.54 per cent of the delinquent property therein. In brief, the familiar combination of under-development and over-expenditure in a particular area stand forth vividly as the cause of the general county distress.

The point we are concerned with at the moment, however, is the remarkable extent to which practically all of this delinquency is concentrated in a particular area and the correlative fact that taxpayers elsewhere in the county are paying for mistakes here. The illustration is sufficient answer to those shortsighted citizens who ask, "Why should I care what they do away over in that section of the county? Give them plenty of rope. Let them hang themselves if they will."

Unfortunately, this rope of governmental expenditure is a long one and its entanglements may reach much farther than is anticipated.

Tax Realities

In all all the discussions of taxation one hears these days, particulary with reference to relieving the burden on real estate by the establishment of specific percentage limitations, all too little is said about the service received and the value it contributes to real estate.

After all, essentially we are buying services as consumers, only instead of paying for these services on the basis of consumption, we recognize the existing social and economic inequalities, and since these services are considered essential for the benefit of the community, we all chip in on the basis of our ability to pay instead of our necessity to consume.

But how are we to measure ability to pay? Since all taxes—or, for that matter, all consumption payments—must come out of either income or capital, we must look for measures of income and measures of wealth. Income, we have discovered, is not too difficult to measure and all active capital in prosperous times can be reached through such a tax. But how to measure wealth? Without much more governmental interference in private business than is now the case, it is only possible to measure such wealth as the individual himself will admit to owning and that means what he cannot conceal: land and improvements on land. And that, of course, means the real property tax.

We must know much more before we can solve this problem. We must know, first, what governmental services increase the value of real property and under what conditions and to what extent; second, what tax and debt burden property can reasonably carry, that is, the point at which community investment becomes speculation; third, the relation of individual initiative to the foregoing; fourth, the possibilities involved in coördination of federal, state, and local revenue systems. There is much to be done!

Hoist on Their Own Petard

One of the most significant reports the Review has ever carried on the operation of proportional representation is Henry Bentley's story of "Three Cincinnati Elections" in this issue. Against proportional representation because a year ago it gave representation to a minority group of radical views, the Cincinnati silk stocking conservatives suddenly find themselves in a position where they are now under-represented in Congress due to the weaknesses in the old majority system of election.

The great strength of proportional representation is that it automatically provides representation for groups in our population in accordance with their votes. Majorities, fearful of being dispossessed, have throughout history sought ways and means of suppressing minorities. When those same minorities become majorities, they become likewise tyrannical. Yet if history has any lesson for us, it is that minority viewpoints are less likely to be suppressed by such tactics than they are to win out. The very act of attempted suppression lends new fibre to resistance.

Change in the rules of the game toward greater fairness should relieve both majorities and minorities of some of their desperation as well as to clear the political arena for better judging of a keener contest.

A Citizens' Agency For Community Planning

Public opinion needs leadership which will unify and correlate the recommendations of specialists, leadership to tell us what government can do and how it can do it

HAROLD W. DODDS *President, Princeton University*

WE HAVE recently had a rude awakening in respect to the inevitability of progress. We have had to abandon that shallow liberalism which imagined that we could coast to glory; the most optimistic view possible today is that progress is a series of hard won victories requiring all man's faculties.

More widely debated today than at any time during the past hundred years is the question of what form of political organization is most favorable to man's effort for self-improvement and social betterment.

Communists and Fascists have ready answers. The Communists ask us to believe in a dialectical process, a controlling scientific law of society which they assert Marx discovered. Their doctrine of human perfectability denies the power of ideals and places all hope in changes in the economic system which in turn are bound to occur with preordained certainty. The mass being ignorant of Marxist laws, it becomes necessary for the small minority at the top, in step with these laws, to hold the incompetent majority to them.

For blind economic forces the Fascist substitutes the leader in whom the national spirit is incorporated. Instead of the impersonal law of the Communists the Fascist finds his salvation in the might of the nation as revealed in the ineffable person of an idealized individual.

Each of these two philosophies lifts a great load of responsibility from the back of the harassed individual, to whom democracy offers no such easy relief. Democracy demands that individuals save themselves by their own intelligence. This does not mean that a sane democracy fails to appreciate the need for leaders. The earlier liberalism was defective at this point. There must be leadership. Within what frame of reference and in what legal capacity shall the leaders in a democracy operate? What shall be their function?

Until the depression the leadership of business men (supplanting that of preachers and lawyers of an earlier day) was unquestioned. The recent election, however, demonstrated that the nation is today distrustful of the old leadership and is casting about for new leaders. If business is to recover its old influence it will be in proportion to its capacity for statesmanship and not by virtue of popular worship of business success.

Will the leader of the future, as some have suggested, be a "social planner" clothed with the power of government? Social planning is an abused term. Those who have captured it for themselves and have given the currently accepted meaning to it are simple folk who have been impressed by the apparently orderly world of natural science and repelled by the disorderly world of social affairs. They would take society by the ears and lead it home to supper. Their emphasis is upon balance and order which they believe can be attained, rather than upon liberty.

Their thinking is dangerously near to the "corporative" state. In fact, their ideal is impossible without such a state. We may conclude that the political consequences of economic planning (as the planners conceive it) are bound to be a truculent nationalism in trade and opinions, despotism and stagnation through striving for security. In politics the leader cannot afford to admit mistakes in his plan. When mistakes are made he will seek to cover them up by further extensions of power.

NO MEASUREMENT AVAILABLE

The effort to reduce government entirely to a science is unsound. There are too many variables in human affairs, too many deuces wild, when we set out to measure social forces. The variables in natural sciences can be equated but no formulas have been devised by which human variables can be measured or imprisoned in an equation. The human mind can handle only the most elementary variables at one time. Social wisdom is therefore largely intuitive, dependent upon hunches which select the right variables and give them their due weight.

While the scientific analogy is misleading this does not mean that social life must be haphazard, that democracy must always flounder and that the only order which can be attained is an artificial one superimposed by despotic authority. Democracy can and must take thought of the future. In other words, it must plan. The two important questions are where the planning functions should be lodged in the first instance and, secondly, where the ultimate decision should rest.

Democratic planning can be accomplished only by a state of mind favorable to planning and by democratic discussion of plans and acceptance of them. Dictatorship molds human minds to fit plans conceived by the leader. In a democracy the people contribute to the formation of plans through their criticism of them. Having gained support of the people, government then carries out the plans under its authority.

We must not lose sight of the local aspects of many national questions or the importance of strictly local matters. The most promising outlook for planning under democratic auspices is in local government. In the field of scholarship the great advances in the next generation will be in the twilight zone between existing academic departments of the social sciences. The same is true in respect to progress of local government from the standpoint of existing specialized organizations working in particular sectors of local affairs.

A CONNECTING LINK

Without discounting the results or need for such organizations, something more seems desirable which will emphasize community planning, which will integrate the specialists, something which will seize leadership in selecting from the welter of social pressures the right variables on which the public should concentrate its attention if it is to express an informed opinion. We need an agency responsible for developing the whole picture for which specialists supply the parts. We need an agency which will concentrate upon presenting the picture to the public in terms which will enable it to arrive at an informed public opinion. There was never such need as today for a bridge over the chasm between knowledge of the student of public affairs and the long suffering man in the street.

What agency is at hand to serve this end?

I suggest that here is a job for the local government research associations. We are all familiar with bureaus of governmental research and of the contribution they have made to theory and practice. Their traditional mission has been to make government a more efficient machine. More and more the bureaus have dug into the technicalities of the daily operation of local governments. Their technique, however, important as it is, does not encourage the broad, planning attitude. It is difficult to combine technical knowledge of daily operation and the creative imagination.

GOVERNMENTAL RESPONSIBILITY INCREASING

The emphasis on better government is both natural and proper. The argument that its honesty and efficiency must be improved before new functions can be entrusted to it is logical reasoning. Public opinion, however, did not wait for the happy day of a perfect political system, but has been dumping new services in government's lap simply because there was no other place to put them. The last five years have seen a tremendous increase in the work that government has been called upon to do without warning and without preparation. Government has been left to flounder as best it can.

This is not necessarily disadvantageous. This turning to government may be the most effective incentive to improve its efficiency—the controlling reason for paying attention to the anatomy and physiology of government. But it is evident that the time has come to survey the still unorganized frontier into which we have entered but which we still do not understand. I propose that the governmental research bureau movement consider a radical expansion in its frame of reference to embrace questions broader than the strictly political ones on which it has concentrated; that its new program be that of a community planning organization in respect to all questions which touch on community life. Public opinion needs leadership which will unify and correlate the recommendations of specialists, leadership to tell us what government can do, how it can do it, and equally important, what things government cannot do and should not undertake.

THE AGENCY DEFINED

I do not consider that a citizen agency supplying such leadership should be concerned with dictating public policy, nor should it be a first aid bureau to harrassed public officials. Occupation with the latter has limited the influence of research agencies and kept their noses too close to the grindstone. The emphasis should be upon help to decisions by voters, not assistance to officials. Existing agencies—government, schools, press, voters' leagues—cannot undertake this job. The need is great.

The agency which could undertake the task I have in mind must be a continuing agency. It must be constantly alert, moreover, to changing needs and ready to adopt new methods. It should be endowed under an independent board of trustees who will periodically examine the program and results of the research agency and its board of control. Thus it may avoid the stagnation which comes to researchers in ivory towers.

Editor's Note.—Notes of address delivered at the Annual Conference on Government of the National Municipal League, Toledo, November 16, 1936.

Control of Bondholders' Protective Committees

The question is not whether there should be control, but rather to what degree it should be carried and in what manner administered

GEORGE H. DESSION *School of Law, Yale University*

An appropriate point of departure for any discussion of the question of governmental supervision and control over protective committees in the municipal field may be found in a certain coincidence which is familiar to all. This is the fact that in point of time the protective committee issue came into being more or less on the heels of two other very closely related developments. The first was the movement in a few states to set up some form of centralized administrative control over local subdivisions in default. The second was the municipal bankruptcy act. Their purpose was to subject the other two major parties to any contest arising out of a local government default—the debtor and the minority creditor group—to a measure of governmental coercion for the purpose of promoting equitable debt adjustments.

The first of these developments continues. In New Jersey, for example, a number of municipalities and other taxing districts are at present under the jurisdiction of the Municipal Finance Commission. Several other states have enacted legislation of a not dissimilar character. Now there is one feature of such legislation which has a particular bearing on the issue of protective committee supervision and control. It assumes the practical feasibility of imposing upon a presumably impartial governmental agency the task of reviewing the fairness of a debt adjustment plan. The occasion and necessity for such a determination may arise in several ways. The New Jersey act makes provision for a stay of litigation brought by a creditor to enforce any judgment against a debtor taxing district under the jurisdiction of the commission. Suppose, as has occurred, that a non-resident bondholders' committee seeks mandamus to enforce its own bonds in the federal court. Assuming, as recent decisions seem to indicate, that the federal court is in such a situation vested with a discretion as to whether mandamus shall issue or not, it can then scarcely avoid taking a position with respect to the good faith of efforts being displayed by the debtor and its state commission to clear up the default and prepare a fair plan. Suppose a plan has already been submitted by the debtor, but declared unacceptable by the creditor who seeks his mandamus. It would be difficult for the court to exercise its discretion without eventually passing on the plan in the process. So, too, and irrespective of litigation, the state commission would ultimately find itself in the position of having to approve or disapprove a given plan.

The same feature was involved in the municipal bankruptcy act. That legislation has now been held unconstitutional by the Supreme Court, but it does not follow that there will no longer be any question of judicial coercion of minorities. Many who opposed the policy of any attempt to extend the bankruptcy power to municipalities have expressed the hope that the federal courts might come to achieve a certain measure of the objection of bankruptcy legislation through exercising a discretion to withhold mandamus when sought by a creditor dissenting from a fair plan of adjustment accepted by the great majority. Others have advocated legislative regulation of the practice in mandamus to achieve more surely the same end. Either development would of course impose on federal courts the burden of passing on the fairness of plans thus involved in any such litigation before them.

MORE THAN A LEGAL ENTITY INVOLVED

Opposition to developments, which like the foregoing envisage a measure of state control over readjustment negotiations or the vesting of jurisdiction to coerce minority creditors in a court, has usually been based on this very feature. It is pointed out that a municipality is more than a legal entity with a debt at issue; it is an extremely complicated aggregate of economic and social groups. Its creditors, even of a single class, are by no means a homogeneous group with an identity of interest. The inconvenient fact is that "every municipal default is like a drama in which there are many players. Bankers, lawyers, municipal bondholders, holders of the unfunded obligations and real estate mortgages, local officials, taxpayers, municipal employees, and civic groups—all play some part." It is correspondingly difficult to generalize about the consequences of default—and the fairness of any given readjustment plan—even with respect to a legally or superficially homogeneous group like the holders of general bonds or any other particular class of obligations of the debtor taxing district. Consider merely the holders of funded obligations for whom a single protective committee will ordinarily purport to speak. If one of them happens to be a banking institution located in, or having business relations with, the debtor taxing district, it may quite conceivably be in a position to profit by default. An excuse is afforded for raising interest rates on short term loans to the debtor local subdivision. If it has a hand in the refunding operations it will probably receive the customary commissions for such work. It may, moreover, be substantially interested in real estate mortgages on property within the debtor subdivision, junior in their lien to unpaid taxes or assessments levied on such property. It may be interested either directly or through affiliates in the buying up of other defaulted obligations of the debtor subdivision as a "hedge" or in downright speculation at bargain prices; market prices usually drop precipitately as soon as the default becomes public knowledge and there are indications that the past few years have seen considerable speculation in defaulted municipals. Other types of institutional holder—notably the insurance companies and fraternal benefit organizations—and wealthy individual holders may in any given case have similarly conflicting interests.

Against this potentially complex background it is clear that the value of any given percentage of consents as a hallmark of the fairness of a readjustment plan may be extremely deceptive in the particular case, even from the point of view only of the class of obligations which the consents purport to represent. Nor is the fairness of the plan always ascertainable by scrutiny of its terms. "Normally it will be necessary to inquire into the background of the plan and the activities of the negotiators to ascertain if the antecedent and collateral phases of the plan are free of overreaching and coercion." This implies that any one governmental agency, empowered to coerce a minority into participation in a "fair" plan of debt adjustment, would have in each case to undertake a very intensive and extensive investigation into all the circumstances of the case. In the belief that extended investigations of this character could not feasibly be carried on by any court or other governmental agency—state or federal—which might conceivably be so empowered, as a matter of routine in every case brought before it, some have feared that any procedure which might be devised for the coercing of minorities would be too susceptible of misuse by special interests and irresponsible debtors to the detriment of those whose sole stake in the situation is their investment in the security. They conclude that the existing situation is "still the most satisfactory in the long run, in spite of the element of headclubbing."

Proponents of this point of view profess to find support for this hands-off attitude in the allegedly fictitious character of any determination in advance as to the capacity of a municipality or the taxing district to pay over a long period of years. For such capacity admittedly depends not only on assessed valuation, on the private wealth and volume of business in a community, but on many other problematical future factors. Will new overlapping special districts with power to levy taxes and incur debts be created in the debtor territory, for example; can it be guaranteed that sinking fund provisions will be observed or that tax levy and collection methods will be as efficient as a given plan may contemplate; how to forecast the amount of additional interest-bearing obligations which the debtor may incur in the future through the issue of bonds for capital improvements; what assurance can there be that a public debtor's future operating expenses will be kept within the bounds of a plan? This phase of the problem has been emphasized by a Florida attorney who has often acted for bondholders and bondholders' committees: "By discussion with municipal officials, the creditors can nearly always arrive at some reasonably fair solution of the immediate problem of how much money should be used for current operations and how much can be raised for debt service. A permanent solution must wait for more normal times, for a settlement should not be made for the next twenty-five or thirty years in the midst of a period of depression."

SETTLEMENTS BY COERCION

But despite these objections there exists, as we have seen, a trend toward the development of legal mechanisms for coercing debtors and minority creditors into coöperating in the foundation and participating in the consummation of hypothetically fair plans of adjustment. And even if those things were not so, the arguments directed against them would still be misleading in their implications that we would then have an open choice between coercion and no coercion. The fact is that the average protective committee, once it has secured the deposit or adherence of a substantial volume of obligations, is in a position to and does exert a very considerable coercion on both the debtor and the creditors in general.

Once such a committee is in the field it would rarely be feasible for a debtor to attempt to circumvent it in negotiating a settlement, and representatives of such committees commonly, and, needless to say, quite properly, justify their existence by the assertion that they are in a position to obtain better terms for their depositors than the latter could secure for themselves. It follows that the adjustment which a debtor is able to make in one of those situations is very much conditioned on the committee's conceptions of a fair plan. The ordinary security holder is similarly affected by the committee's conception.

Nor can it be said that the security holder who chooses to stand apart is, in the absence of a bankruptcy procedure, unaffected by the committee's conception of a fair plan. Opponents of the bankruptcy legislation have been in the habit of asserting that committees with a substantial majority of the securities on deposit can usually find a way to deal with dissenters. That view may be somewhat optimistic, but it embodies a measure of truth.

It is, in short, useless to talk as though complete freedom from the necessity of abiding by someone else's notion of a fair plan was a possibility open to all. The great majority, whether one is thinking of the inhabitants of the debtor taxing district or of the security holders, are in effect obliged to abide by the notions of the aggressive minorities purporting to speak for them.

The propositions just advanced are in no sense intended as an attack on the institution of the protective committee as such. In many of the default and insolvency situations in the municipal field it is doubtlessly the most effective mechanism for protecting the interests of the creditors as a whole and promoting a reasonable adjustment. I emphasize the fact that most of the parties to and of these situations must inevitably accept on faith or be coerced into accepting someone else's conception of a fair plan because it seems to me to indicate that if there is any way in which a greater assurance of the fairness of any given plan can be afforded the relatively helpless majorities and likewise the judge who, if existing trends continue, may find himself called upon to pass on the fairness of that plan, such assurance should be offered.

The problem of control over municipal protective committees is primarily a phase of this larger problem of control over municipal debt adjustment plans. For any effective check-up on municipal debt readjustment plans to insure their fairness necessitates some control over the committees or agents purporting to represent the security-holders who negotiate these plans. It is not always possible to gauge the fairness of a plan merely by examining its terms. Ordinarily it is necessary to look into its background and the activities of its negotiator to ascertain if the antecedent and collateral phases are free from disqualifying conditions and circumstances.

SECURING OF CONSENTS

One factor to be considered, for example, would be the manner by which consents to plans were obtained. It seems obvious that such consents should be solicited and obtained only after complete disclosure of all material facts and not by coercive or unfair pressure devices. Otherwise the percentage of assents can be no criterion of the fairness of any given plan. Another example is the matter of compensation and expenses of committees, frequently not showing up in the readjustment plan. They may be provided for in collateral agreements, namely deposit or proxy agreements, between a committee and bondholders. Such agreements may or may not contain a limitation, in terms of a percentage of the face amount of deposited or participating securities, on the aggregate amount which the committee may spend. But such limits, drawn up at the outset before all future contingencies or the probable duration of the committee's existence can be estimated, are necessarily liberal outside estimates.

The agreements not infrequently give the committee a power to amend such provisions, moreover, and the only veto power vested in depositing security-holders consists in such withdrawal

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Bondholders' Protective Committees and Municipal Credit

Where municipalities are bankrupt, formal committees are of real advantage both to the municipality and to the bondholders

ROBERT F. DENISON

Squire, Sanders and Dempsey, Cleveland

THERE appears to be a tendency to criticize bondholders' protective committees functioning on behalf of holders of municipal obligations. Such committees have been investigated by a committee of Congress and more recently by the Federal Securities and Exchange Commission, having been directed to make such investigation by Congress. One cannot escape the impression that these investigations have been instigated and fostered for political purposes and not at the instance of bondholders. The Securities and Exchange Commission in its report cites no testimony of any depositing bondholder who feels he has been injured and no instance in which any such committee has disregarded the wishes of the great majority of its depositors. Theoretically the power under deposit agreements may be subject to abuse—actual instances of such abuse are so few and far between as to call for no congressional regulation, in my opinion. However, this is mentioned merely incidentally as leading up to the subject of this paper.

Bondholders' protective committees are of long standing in connection with corporate securities, corporate receiverships, and corporate reorganizations. They met an economic need and usually served corporate creditors well and cheaply, certainly better and more economically than the individual creditors themselves could have acted. Hence, with municipal defaults, municipal creditors naturally used this same machinery wherever they found it applicable.

Municipal defaults may be roughly grouped into three classes. The first would embrace temporary defaults brought about by the depression—delinquency in payment of taxes, serial maturities, or the lack of a market for securities held in a sinking fund in the case of term bonds. Most of those cases have now been solved.

The second group would consist of those municipalities which are really bankrupt—whose defaults are more than temporary. The problem involved here is still largely unsettled.

The third group might embrace those instances where the municipality has repudiated or undertaken to repudiate its indebtedness. Fortunately these instances are rare and are confined almost exclusively to the second group.

The first aim of any municipality in default should be to re-establish its credit. Personally I believe that the best results are obtained, both from the municipality's standpoint and from that of the bondholders, where the municipality promptly confers with its creditors, and I believe where that step is taken the bondholders in turn can be of real assistance.

Upon the question of the re-establishment of a municipality's credit, there can be no conflict between the interests of the bondholders and the interests of the municipality. Such re-establishment is equally desirable or necessary for both parties. The municipality hopes to continue to function, to grow, and to expand. A municipality has no limited natural life, it belongs not alone to the present generation, but to future generations. The bondholders' best interests are served by the improvement of a market for their bonds and by the prompt payment of principal and interest.

The re-establishing of credit in the case of the first group of defaults which I mentioned, has been, as already stated, mostly solved. Where bondholders were forced to take refunding bonds, the principal question in dispute was the interest rate. If bonds could not be sold at the maximum interest rate allowed by law, bondholders usually insisted that refunding bonds they were forced to take should bear the highest interest rate. Their position was logical, since money rates were high and if they were paid in cash, to which they were entitled, they could invest at higher rates. The position of the municipality was usually that the high interest rate was temporary and that a lower long term rate was sufficient. In practice there was usually a compromise, and if bonds were issued bearing a higher interest rate, they were made subject to call. In this part of the country Akron and Toledo were instances in Ohio where this compromise was effected. The refunding in Detroit was more comprehensive and not confined to immediate maturities, but in all of those cases the apparent differences between the two groups were ironed out and the problem solved.

I shall not spend much time upon the third group of defaults mentioned, namely, repudiation, since that step, when taken, kills the municipality's credit and hence is beyond the scope of my topic. Such cases lead to litigation and hard feeling and the hard feeling continues even after the controversy is terminated.

THOROUGH STUDY NEEDED

The second group of defaulting municipalities presents the real problem. If properly handled, it is possible to re-establish the municipality's credit. What are some of the problems to be faced in attacking this particular group? Ideally no settlement should be effected which is confined solely to current maturities, nor where more than current maturities are involved should such settlement be effected which is based upon the present conditions alone. The primary question to be determined is the municipality's future ability to pay. This requires a thorough study and as accurate a determination as possible and involves many factors: the present taxing ability of the municipality, its future taxing ability depending upon its growth and prosperity, the future collection of special assessments which in turn involves respreading of the present assessments and so lightening the future tax burdens as to attract purchasers of property. Until these various factors have been determined, it is not possible equitably to fix interest rates, maturities, or in some instances even the amount of the debt; that is, whether a scaling of principal is necessary or desirable. In these circumstances a bondholders' protective committee, by joining in the study either through its own experts or in agreeing with the municipality upon independent experts, could render a real service not only to the bondholders but to the municipality. No study of these questions by the municipality alone would ordinarily be accepted by the bondholders any more than a private corporation's ability to pay, based solely upon its own statements or figures, would be accepted by its creditors.

A municipality in default and desiring to refund and to settle with its creditors should be willing to pay all it can and to reduce its operating expenses to the lowest possible level. If bondholders are required to make sacrifices, the municipality should be willing to settle upon the basis whereby the bondholders profit by improved conditions, and above all the municipality should at all times act in good faith.

I know of no more successful method of accomplishing this than for the municipality to contact representatives of the bondholders before whom it could lay its cards on the table and ask for their advice and coöperation.

Sometimes a municipality has issued most of its bonds through a single bondhouse or has such close relations with a bondhouse, which in turn has the confidence of the bondholders, that the formation of a formal bondholders' protective committee is unnecessary. In other instances the bonds of a municipality may be held by a limited group who can be directly contacted, thus making a formal committee unnecessary; but in practice it is too often the case that the bondhouse which floated the bonds of a bankrupt municipality has lost caste with its customers and large holders of municipal bonds are small holders in those municipalities which are now bankrupt.

In such cases I believe the formation of a formal bondholders' protective committee would be of real advantage both to the municipality and to the bondholders, including a formal deposit agreement and designation of a depositary.

In Ohio there is an Ohio Municipal Advisory Council financed by bondhouses, banks, and other holders of municipal bonds in large amounts. This advisory council makes factual studies of municipalities' finances at no expense to the municipality, confers with and recommends action to the municipality, and frequently does away with a formal bondholders' protective commitee, but such an organization does not exist in many states or communities.

Individual bondholders if assured that their interests are being protected, and such committees are appointed for such protection, are today not captious or unreasonable or stubborn. They will insist that the municipality pay to the full extent of its ability—as it should—and they generally cannot be fooled. On the other hand, they realize that blood cannot be squeezed from a turnip, that a municipality must be allowed to live and function, and that taxes either general or special cannot, in practice, be "unlimited as to amount or rate", and that the municipality must be helped back to its feet.

AN ILLUSTRATION

Judging the future by the past, let me cite the case of Brooklyn, a suburb of Cleveland, with a debt in excess of 15 per cent of its tax valuation, the result of issuing special-general bonds exempted from debt limitations under the old Ohio statutory rule.

The village refused to levy a general tax for debt service on its special assessment bonds or to cut its operating expenses. It could not collect its special assessments. A committee was formed, bonds were deposited, a mandamus suit brought in the Ohio Supreme Court, and a writ eventually issued. The electors then ousted their old officials and elected officials pledged to coöperate in a reasonable refunding program. A study of the finances of the municipality was made by the Ohio Municipal Advisory Council and the municipality's general taxing power computed. A debt re-adjustment plan was then framed based upon the ability of the municipality to pay. Thirty-year term bonds were provided for to bear interest at the rate of 2 per cent for the first five years, 3 per cent for the next five years, 4 per cent for the third five years, and thereafter 5 per cent until maturity. The bonds were to be subject to call and were to be called by lot whenever $5000 or more should be in the bond retirement fund above the next six months' interest requirements, but tenders were to be asked for prior to such call, the municipality to accept bonds tendered at the lowest price. This plan was formed to take advantage of the federal municipal debt readjustment act. When that act was declared unconstitutional the committee's counsel and the village solicitor, who had also been readjustment manager under the federal bankruptcy plan, worked out amendments to the Ohio law permitting the same plan, and the committee, the Municipal Advisory Council, and the Ohio bondhouses backed the village solicitor in getting these amendments through the legislature, so that the plan is now being carried into execution. This could probably never have been accomplished without a bondholders' protective committee and coöperation between committee and municipality.

The way having been shown, similar settlements with suburbs in the Cleveland metropolitan district may be accomplished without the necessity of forming formal bondholders' protective committees, but only because both sides have been educated by the practical coöperation in the Brooklyn case of a bondholders' protective committee and the municipality.

Editor's Note.—Address before the Annual Conference on Government of the National Municipal League, Toledo, November 16, 1936.

BONDHOLDERS' COMMITTEES

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rights as the agreement may give them. Still another matter closely related to the foregoing is the practice of trading in the securities affected by members of committees and their affiliates. Not only does this amount to a violation of time honored standards for fiduciaries and trustees, it might well be deemed to disqualify them from receiving compensation for their services.

These instances will serve to illustrate the relationship between forms of committee organization and activities and the fairness of readjustment plans. Committee personnel and their affiliations are of equally important bearing. Members with conflicting interests—like those who are directly or indirectly interested in property within the particular taxing district—will not normally be undivided in their allegiance. Committees which have directly or indirectly acquired defaulted securities at bargain prices may stand to profit by settlements ostensibly fair but to which they would be hostile had they purchased their securities at par. Committees formed as joint ventures or syndicates, like fiscal agents reaching to earn a fee, will tend to be more interested in quick and easy settlements than will bondholders bent on protecting their investments. The relationship of such matters to the fairness of any given plan is apparent when one considers their subtle and mischievous character, definite in effect but often demonstrable in a particular case only by intensive and impartial investigation in the absence of a routine requirement of disclosure.

In conclusion, it is submitted that the question is not whether there should be control, but rather to what degree it should be carried and in what manner administered.

Editor's Note.—Address before the Annual Conference on Government of the National Municipal League, Toledo, November 16, 1936.

Three Cincinnati Elections

Representation of minorities is a useful safety valve for popular dissatisfaction

HENRY BENTLEY

Former President, Cincinnati City Charter Committee

PROGRESS in political mass education is slow because the demonstrations are rarely consecutive. Ordinarily the lessons learned in one political campaign are forgotten by the public before the succeeding lessons are taught by a subsequent election. It is usually impossible to arrange political campaigns in such sequence as "to point a moral and adorn a tale" with the logical consistency provided in a school textbook.

Fortunately in Cincinnati we have had the unprecedented opportunity of three elections in one year arranged to illustrate and to accentuate the advantages of proportional representation. The sequence has been so rapid that questions raised by one election have been answered by the next and a peculiar result has been that two of our newspapers have with strict logic reversed their positions without really being conscious of the reversal. To our new recruit in the army of cities that have decided to use an intelligent method of electing a legislative assembly, New York City with its new charter, the record of the last three elections in Cincinnati should be of interest.

The first of these elections was the councilmanic election in November 1935. Thirty-three candidates competed for the nine councilmanic seats, nine nominated by the City Charter Committee, nine by the Republican organization, and fifteen independents. Of the fifteen independents, three, Herbert S. Bigelow, C. H. Berning, and H. L. Shearer, ran a joint campaign as believers in Father Coughlin's League for Social Justice. Two others, E. G. Frankenstein and W. J. Schultz, who had in the election of 1933 sponsored the initiated ordinance for public ownership of the gas and electric utilities, ran jointly on the platform that their efforts in 1933 were responsible for the satisfactory rate negotiated by the city in 1934. The election resulted in the election of four City Charter candidates, four Republican organization candidates, and one independent, Herbert S. Bigelow.

Mayor Russell Wilson, as usual, polled the highest first-choice vote, 24,750. The quota for election was 13,734. Herbert S. Bigelow was second, with 21,445 votes. No other candidates were elected on first-choice votes. Seven of the nine councilmen had run for re-election, six of these were re-elected and the seventh was defeated on the last count. Of the six men who were re-elected, four were City Charter Committee candidates and two were Republican organization candidates. Of the three new members, two were Republicans and one was an independent.

The strength of this independent,

Herbert S. Bigelow, was the surprise of the election. Mr. Bigelow, who was formerly pastor of the Vine Street Congregational Church and who is at present minister in charge of the People's Church, is well known for his radical views. He is a strong believer in the Henry George theory of the single tax and has been active in its behalf. He has been active in recruiting membership in Father Coughlin's League for Social Justice. He had advocated municipal ownership of the gas and electric utilities in the 1933 election. He had competed in the Democratic primaries in 1934 for the nomination to Congress and had been defeated.

Mr. Bigelow, who is a remarkable orator, used the radio extensively for his campaign for council. None of the daily newspapers supported him and he edited and issued a weekly paper, *The People's Voice,* as his personal organ. His election came as a surprise to both the Charter and Republican leaders. It had been expected that he would poll a large vote in the industrial wards of the city, but few expected him to secure much support in the residence wards. Contrary to expectations he polled a large city-wide vote, securing a vote second only to Mayor Wilson in a majority of the wards of the city. He received the highest vote in ten out of twenty-six wards, the same number exactly as were carried by Mayor Wilson as first choice.

The size of this vote cannot be ascribed wholly to the Father Coughlin sympathizers although doubtless this element bore an important part in the election. Mr. Bigelow was favored by two cross currents in the municipal election, the one state and the other national.

In the state of Ohio a very bitter split in the Democratic Party had developed due to the sympathy for and antagonism to Governor Martin Luther Davey, the present governor of Ohio. This bitterness in Cleveland resulted in the election of Harold Burton, a Republican. The election showed clearly that many Democratic opponents of Governor Martin L. Davey preferred to vote for a Republican rather than to vote for a Davey Democrat. In Cuyahoga County the Democratic organization was pro-Davey and its candidate, Mr. Miller, was a pro-Davey man. In Hamilton County on the contrary the Democratic organization was anti-Davey and in consequence the pro-Davey Democrats registered a protest against the local Democratic organization by voting for Mr. Bigelow, a Davey Democrat.

NATIONAL POLITICS A CONSIDERATION

The other cross-current in the election was national. The Republican organization waged its municipal campaign upon the theory that the municipal election was important as a stepping stone to a defeat of the New Deal the following year. The City Charter Committee confined its campaign to municipal issues, and did not defend the New Deal. As a result the strong proponents of the New Deal, who were angered at the Republican organization for attacking, and angered at the City Charter Committee for not defending, cast their votes for Bigelow, who constantly urged that the New Deal be made newer.

Under the Cincinnati charter the council elects the mayor and selects the city manager. Neither party had a majority in the council. There were four Charter men and four Republicans and Mr. Bigelow. Mr. Bigelow accentuated his position by declaring in his radio addresses that he held the balance of power and that his vote was for sale. He declared that his vote for mayor would go either to the Republicans or to the Charter, to whichever group would accept his program of municipal ownership and a single tax.

As neither party would accept these terms at the first meeting on January 1 of last year, council failed to elect a mayor. Mr. Bigelow then tried to break the solidarity of the Charter group which consisted of three Democrats and Mayor Wilson by offering to vote for one of the Democrats. The Charter forces stood firm and the second meeting of council also failed to produce an election.

BUSINESS AS USUAL

The affairs of the city were not jeopardized. Mr. Russell Wilson continued to act as mayor and Mr. Clarence Dykstra continued to act as city manager. Nevertheless, the public was greatly disturbed and two of the Cincinnati newspapers, one of which had always opposed proportional representation and the other of which reflected the attitude of the public utilities, kept up the excitement by editorials which ascribed the deadlock to P. R. These newspapers carefully suppressed the fact that a similar deadlock existed in the council of the city of Cleveland which had been elected under the orthodox system of plurality voting.

At the moment that it seemed as though the deadlock was permanent Mr. Bigelow changed his mind and to his credit be it said the change of heart was influenced by his interest in the New York situation. Some of his friends had written him that the Cincinnati deadlock was being exploited in the New York newspapers; that this was disturbing the chance of adopting P. R. in New York. Mr. Bigelow sent word that he was prepared to modify his demands.

A conference was arranged and it was settled that Mr. Bigelow would vote for Mayor Wilson and that in exchange Mr. Bigelow would be made one of the three members of the public utilities committee and that the city council would pass a resolution urging the legislature to propose an amendment to the constitution of the state authorizing home rule for cities in taxation. This resolution, however, was to be coupled with an expression from the Charter councilmen that they were not in favor of the single tax, but that they supported the amendment because they felt that the existing system of state taxes under which most of the money was collected from the cities and distributed to the rural districts was very unfair and should be changed.

NEWSPAPER ATTACKS

The storm that ensued in the two conservative newspapers can be better imagined than detailed. The editors of both papers were bitterly opposed to Mr. Bigelow and now were bitterly opposed to P. R. They were furious at the solution. Not contented with editorial criticism one of the papers even misrepresented facts in its news columns and headlines. Both papers declared the charter movement dead and both shed crocodile tears over its decease. The fact that as a result of the compromise peace had settled on the city hall, Mayor Russell Wilson had been re-elected for the fourth consecutive term, City Manager Clarence Dykstra had been retained, and not a single city employee discharged, did not call for a word of commendation in either of the two newspapers. Charter fortunes in Cincinnati were at low ebb.

Then occurred the miracle of the second election in May 1936. It is an established fact that the bosses of all political parties are always numbered in the ranks of the opposition to P. R. The reason is not hard to seek. P. R. limits the outside power of the boss. It tends to produce that result proclaimed by Elihu Root as most desirable, "to make the invisible government visible." The candidate under P. R. is representative of a constituency of his own, and can be much more independent than the candidate who requires the approval of the boss to get on the ticket. So in Cincinnati the Republican boss and the Democratic boss, encouraged by the support of two newspapers, plotted to throw out P. R. which was returning to the people the power the two bosses once had exercised. Together they made their bipartisan deal. Together they worked out the technique to be followed. A "nonpartisan" committee was to be formed. This supposed nonpartisan committee was to propose an amendment abolishing P. R. The Republican organization was to endorse the amendment. The Democratic organization was to keep "hands off." And nature—in this instance the control of the primary vote by the two parties—nature would take its course.

Off to Florida went the Democratic boss. At 11 o'clock on a Saturday morning a "nonpartisan" committee consisting of seven organization Republicans and two organization Democrats announced a petition for an amendment abolishing P. R. from the charter, its supposed chairman being at the time on the train between Denver, Colorado, and Cincinnati. The announcement of the proposed amendment simply appeared, whence it came no one is quite sure. Three hours later a Republican Central Committee of 501 members—presumably in less time than it takes to tell it—had pledged its support and "volunteered" to circulate the petitions placing the issue on the primary ballot.

SECURING SIGNATURES

Three days later at a special election to secure an extra tax levy for county purposes, a levy endorsed alike by Republicans, Democrats, and independents, the proceedings were featured by a novelty in political duplicity. In virtually every precinct polling place appeared an anti-P. R. petition and a solicitor, usually the Republican precinct executive, occasionally a Republican county job-holder, seeking signatures for the petition. Protests at this violation of the spirit of fair elections whether from Charter leaders, from independent citizens or from the P. R. supporting newspaper were disregarded. For example, the Republican newspaper having declared its support of the amendment, characterized the protests as "familiar Charter campaigning technique."

Meanwhile, rank and file Democrats together with many independent Democrats long affiliated with the Charter movement, openly asked for an expression of the party stand on the amendment. From Florida, where the Democratic boss lay in the sand, came only silence. Rumors raised their heads. One said the Democratic newspaper would soon endorse the amendment. Another whispered there had been a private deal between the party bosses and that both the Republican and Democratic newspapers were "in on it." The third newspaper picked up the rumors and immediately sought an interview with the Democratic boss—in Florida. Still, only silence.

Into the breach of rumor and doubt stepped boldly prominent Democrats, supporters of the City Charter movement, seeking nothing, asking nothing of their party leader. Interviews from them played up by the third paper quickly showed their estimation of the situation. Subsequently, the two Democratic members of the so-called nonpartisan committee let it be known they, too, were not hearing any master's voice. They were "not against P. R.," they were "merely lending" their names, they said, in order that "the public might have an opportunity to vote on the question."

Interviews led to pressure on the Democratic executive and central committees. Quietly the two committees met, discussed the situation, speedily announced opposition to the amendment, and openly proclaimed support of P. R. The war was on.

CAMPAIGN FOR P. R.

It now became necessary to organize a campaign and to organize it thoroughly. It was necessary to have a speakers bureau and to secure speakers who could address all types of civic and neighborhood groups. Workers among the women were organized to carry the appeal for the defeat of the amendment to their neighborhood precincts and wards. Men were organized to make provision for securing witnesses to the count, as there was no question what would happen in many precincts if witnesses were not there. Each precinct had a Republican judge and two clerks, and the same for the Democratic side, but granting the best of intentions on the part of certain Democratic leaders, certain workers, especially in the downtown wards, were very likely to be in collusion with the Republicans.

The largest primary vote in Cincinnati's history came out on P. R., one portion of it marshalled by a thousand Republican job-holders, the other led by volunteer Charter supporters.

Intermittent showers through the morning hours and well into the late afternoon of primary day put the issue in doubt, a doubt not dispelled when early returns from our conservative better class areas showed our normally large majorities there materially reduced.

But slowly doubt gave way to hope and slowly hope to triumph when from hundreds of precincts where lived the men and women of our great middle class, our average, typical American men and women, the returns steadily rolled up a P. R. majority. P. R. had been saved and saved after the most severe test ever made on public loyalty.

THE LAST ELECTION

The third election in the narrow compass of the year was the national election on November 3, 1936. Strange things had happened in a year. Conservative Cincinnati had remained loyal to the Republican party in 1934. It had returned two Republican Congressmen to Washington.

This year, however, there was a ground swell against which Republican swimmers had to contend. The group which had supported Herbert Bigelow in the councilmanic election the preceding November was apparently stronger than a year before. Mr. Bigelow sought the nomination for Congress in the Democratic primaries in opposition to the Democratic machine. At first his candidacy had been lightly regarded, but as the primary approached it was felt that there were strange new forces at work and despite the fact that Mr. Bigelow had no very definite newspaper support and had the opposition of the regular Democratic organization he might win.

When the votes were counted it was revealed that Mr. Bigelow had captured the Democratic nomination for Congress in the second district; that Joseph Dixon, another National Union for Social Justice candidate, had secured the Democratic nomination for Congress in the first district and that Mr. Bigelow had won for his followers about half the nominations for county offices.

Immediately pandemonium broke loose in the newspaper field. The horror with which Mr. Bigelow's election to council had been hailed was now multiplied a thousandfold. The only saving grace in the editorial columns was the feeling of certainty that Mr. Bigelow could not win in a normally Republican county and in the face of the opposition of the regular Democratic organization.

MR. BIGELOW GOES TO CONGRESS

On November 3, Cincinnati learned that Mr. Bigelow had been elected to Congress and that Mr. Dixon, another N. U. S. J. candidate, had also been elected; that President Roosevelt had carried Hamilton County and that one of Mr. Bigelow's followers had been elected to county office despite the fact that Mr. Bricker had carried Hamilton County in the governorship race by ten thousand votes.

The two newspapers that had condemned the city charter on the ground that Mr. Bigelow could not have been elected to the city council except for P. R. now had to eat their words. Why was Mr. Bigelow elected to Congress from rock-ribbed Republican Hamilton County? It was now evident that it was the constituency of voters and not the system of voting that was at fault. In fact, it was very evident that far from P. R.'s having been responsible for Mr. Bigelow's election to council it had probably been the only reason that the entire council of nine had not been tainted with Bigelowism.

Under the system of plurality elections it was clear that a constituency as large as that controlled by Mr. Bigelow would have been sufficient to swing the balance of power either to the Republicans or to the City Charter Committee. Under a system where all nine candidates could be elected by a plurality vote this constituency would have been represented by nine councilmen instead of one as occurred under P. R.

The logic of events in one short year had completely destroyed the fiction that had been created by the two newspapers that the sole reason for the election of Mr. Bigelow to council was the system of P. R. and that Mr. Bigelow could not have been elected to council under the old-fashioned plurality system. One short year later, after the election of November 1936 which resulted in the election of Mr. Bigelow to Congress under the plurality system, the same newspapers were compelled to reverse their reasoning. Although P. R. may have permitted Mr. Bigelow to enter council there was no P. R. in use when he received the Democratic nomination for Congress six months later and there was no P. R. in use when he was elected to Congress.

There is only one answer. Obviously it is not the mirror which must accept responsibility for flaws in the picture. The mirror merely reflects the picture as it is. It is the constituency that determines the election and P. R. accurately mirrors the constituency.

What a difference it makes whose ox is gored. In 1935 when the conservatives seemed to be in control of the party machinery P. R. seemed to be a maleficent system that sometimes permitted a radical to be elected. In 1936 when the radicals had secured control of the party machinery, P. R., which might give representation to the minority, seemed not wholely undesirable. In fact the Cincinnati *Post* on November 6, 1936, published an editorial in which it pointed out that, despite the fact that the Republicans polled 1,125,000 votes to 1,725,000 votes for the Democrats in Ohio, the Democrats had won twenty-two of the twenty-four seats in Congress, leaving the Republicans but two. "Thus the Democrats won 91 per cent of the Congressional posts but cast only 65 per cent of the vote polled. . . . If Ohio elected its Congressmen by the P. R. system (and perhaps we shall some day) the Democrats probably would have elected fifteen Congressmen and the Republicans nine. This would have reflected fairly the political picture of the state, which the present twenty-two to two legislators does not. The policy of winner take all is not a good one for democracy."

The three elections in Cincinnati have proved the advantages of P. R. The first, the councilmanic election, estalished the right of any group representing more than one-tenth of the population to elect a spokesman in the city council. It also established the essential conservatism of P. R. by re-electing six out of nine of the previous councilmen. The shift of popular sentiment was accurately reflected in the personnel of the council, but the customary complete change of administrative personnel was avoided. The mayor, the city manager, and the entire administrative personnel of the city were not changed.

The second, the May election on the amendment abolishing P. R., proved that the customary control of the party by the political bosses could not be exercised where a clear understanding of P. R. existed. In the six previous elections in Cincinnati the City Charter Committee had defeated one entrenched political machine. In the May election of 1936 the people defeated an alliance of the two political bosses. The Democrats repudiated the agreement of their boss with the Republican boss.

The third, the Presidential election of November 3, showed conclusively that P. R. a year before had been an accurate mirror of the sentiment of the voters. It had reflected the revolt that was then beginning and which became fully manifest in the recent election. That last election showed the extreme danger of a slight change of sentiment when an election is held under the plurality system, carrying with it a complete change of personnel from the top to the bottom of the ticket.

If we have any tradition in national politics that ought to be followed with particular care in local affairs, it is the conviction that the minority or minorities ought to be able to make themselves heard. The whole fabric of self-government is built on the establishment of rights which minorities can invoke to protest or to modify the proposals of the majority. So, although in the name of the party system many persons may urge us to denounce a scheme of voting which insures the just representation of the minority, let us remember that "taxation without representation" was not only a factor in causing the Revolutionary War, it was a primary reason for establishing the P. R. system of voting.

Political parties have a habit of drawing away from the mass of people and forgetting their prime responsibility to the whole public. Representation of minorities, whether left-wing or right-wing, is a useful safety valve for popular dissatisfaction, and is also a means by which the major parties can readjust their policies to fit the changing ideas of the public.

Because it furnishes the one possible defense against tyranny of the mob, because it protects against tyranny of the majority, because it gives representation to minorities, because it establishes real democracy by assuring legislative bodies that are composed in miniature of the same elements as the voting population, proportional representation justifies itself.

The failures of democracy have been failures of the mechanism for determining democratic choices. Majority rule is correct. Majority dictatorship is false.

Editor's Note.—Address delivered at the annual meeting of the Proportional Representation League, Toledo, Ohio, November 17, 1936.

The London Passenger Transport Board

A description of the most recent of Britain's special public authorities, created in 1933

JOHN A. FAIRLIE *University of Illinois*

It has often been noted that governmental institutions in Great Britain present a complicated, and to an outsider a confusing, variety of arrangements, which contrasts sharply with the logically systematic and symmetrical arrangements to be found, for example, in France. In the field of local government, however, for the last fifty years important steps have been taken to simplify the former chaos of local authorities, areas, and rates; and the local government act of 1933 consolidates a large part of the general legislation in this field. But for the great metropolis of London, it has thus far seemed necessary to supplement the general provisions with a series of special authorities for particular purposes. The London Passenger Transport Board, established by act of 1933, is the latest of these special public authorities, which at the same time has brought under unified control most of the means of public transportation in the metropolitan area.

Brief mention may be made of other special authorities for the London metropolitan area as a basis for comparing the organization and work of this new agency. As far back as the time of Elizabeth the urban community had outgrown the limits of the ancient city corporation; but it was not until the nineteenth century that the first effective steps were taken to bring the whole urban area under even partial unified control. The metropolitan police act of 1828 established a single police force for a special district, covering about seven hundred square miles with a present population of over eight million with a force of nearly twenty thousand under a commissioner, appointed by the central government, which also pays one half of the cost. In 1855 a Metropolitan Board of Works was established, composed of fifty-five members, chosen mainly by the various local authorities within the district, corresponding to the present county of London. Under the education act of 1870 a popularly elected school board was created for the same area. There was also a Metropolitan Asylums Board for public hospitals though the main work of poor relief was in the hands of thirty-one Poor Law Unions.

The local government act of 1888 created a new administrative county of London, with an elective county council, which took over the functions of the Metropolitan Board of Works with added powers which have been further extended by later legislation. Notably, in 1902, the elective school board was abolished and its powers transferred to the county council; and in 1929 the Poor Law Unions and Metropolitan Asylums Board were abolished and their functions also transferred to the county council. By act of 1899 the former forty-one local districts were reorganized into twenty-seven metropolitan boroughs, and the cities of London and Westminster.

But along with these steps towards consolidation new special authorities have been created. In 1902 a Metropolitan Water Board was established which took over the works of a number of private companies. It has charge of the water supply for an area of 573 square miles with a population of 7,500,000. Under an act of 1908, a Port of London Authority was created which took over the plants of half a dozen existing dock companies. Under the national insurance act of 1911, an insurance committee for the county of London was established. The water board consists of sixty-six members chosen by the various elected local councils in the district. The port authority consists of twenty-nine members—ten appointed by the Board of Trade (now the Ministry of Transport), the London County Council, the city of London, and Trinity House; and eighteen elected by ship owners, wharfingers, and payers of port dues.

RECENT AUTHORITIES CREATED

Since the World War several new special authorities have been created. In 1924 the London and Home Counties Traffic Advisory Committee was established under the London traffic act of that year; in 1925 the London and Home Counties Joint Electricity Authority was constituted under the electricity (supply) act of 1919; in 1927 the Greater London Regional Planning Committee was constituted; and in 1930 the Lee Conservancy Catchment Board was created.

The area and population of the county of London and the more important special metropolitan districts are shown in the following table:

Local passenger transportation in London is carried on by omnibus, coach, tramway, trolley bus, and underground railway, the local services of the main line railways, and by taxicabs. Hackney coaches were introduced early in the seventeenth century; the first regular omnibus service was begun in 1829; the first local underground railway was opened in 1863; regular tramway service was inaugurated in 1870. Until after the end of the nineteenth century horse traction was used for buses and tramways and steam for both main line and local underground railways. Since then electric power has been used for tramways, trolley buses, and the local underground railways, and gasoline motors for most of the bus lines.

For a long time each of these forms of transportation was conducted by a number of different concerns. This was especially true of the omnibus lines, of which there were sixty-one different undertakings in operation when the transport board was set up, although by that time much the greater part of the bus business was in the hands of the General Omnibus Company which had commenced operations in 1856.

There were six underground railway companies, which, however, came under the control of the Underground Electric Railways Company organized in 1902. This company also in 1912 secured control of the General Omnibus Company. Tramways were operated by the London County Council and a number of other local authorities and by three private companies.

The London Passenger Transport Board, which has taken over the business of ninety-three undertakings, was established by the London passenger

		Population
County of London	117 square miles	4,500,000
Police District	700 " "	8,360,000
Water Board	573 " "	7,512,000
Electricity Authority	1,797 " "	
Transport Board	1,986 " "	9,500,000

transport act of 1933 (23 George V, ch. 14). The original bill for this measure was introduced in 1931, when the Labor government was in office, under the direction of Mr. Herbert Morrison, then Minister of Transport. It became law under the Nationalist government with some changes, notably in the method of selecting the members of the board, to be noted later. It is significant that the general purposes of the act have thus the approval of the leading political parties.

The act is a rather lengthy measure, comprising 178 pages. Part I deals with the constitution and general powers of the board, part II provides for the transfer of undertakings, part III with financial provisions, parts IV and V with amendments of the road traffic act of 1930 and the London traffic act of 1924, part VI with wages and conditions of service, part VII with the staff and superannuation, and part VIII with transitional and supplemental provisions. The original act has been supplemented by later acts, which do not, however, alter its main principles.

BOARD MEMBERS PAID

Unlike the Metropolitan Water Board and the Port of London Authority, which are composed of sixty-six and twenty-nine members respectively, serving without salary, the London Passenger Transport Board is composed of only seven members, two of whom, the chairman and vice-chairman, receive large salaries (£12,500 and £10,000 a year) for full-time service, while the others receive £750 a year for part-time service which includes fortnightly meetings of the board. The regular term will be seven years; the first members were appointed for seven, five, or three years. No member of the board may have any financial interest in the works under their control.

The method of appointment is novel. Under the original bill the members were to be appointed by the Minister of Transport. Under the act they are selected by five appointing trustees representing different interests. These trustees are a changing body of persons holding certain designated positions as follows: the chairman of the London County Council, a representative of the Advisory Committee on London Traffic (which is appointed by the Minister of Transport), the chairman of the London Clearing Banks, the president of the Law Society, the President of the Association of Chartered Accountants, and, to fill future vacancies as they occur, the chairman of the Board itself. Two of the appointing trustees may be said to represent the general public, and three are from organizations connected with business interests. The act requires the members of the board to be qualified as experts in transport, finance, commerce and industry, two of the seven members to have six years' experience in local government.

As thus constituted, the board may be said to represent a combination of public and private interests. It is vested with a large degree of autonomy, free from minute parliamentary control, though subject to the detailed provisions of the parliamentary acts and to some control by the Minister of Transport, to whom it must report, and who has power to act on the advice of the Advisory Committee on London Traffic and to remove members of the board. Rates of fare are subject to the authority of the Railway Rates Tribunal on the application of a local authority or the board—where the board has not already the necessary powers.

The personnel of the board as first appointed serves further to illustrate its character. The chairman is Lord Ashfield of Southwell, P. C., born in England, educated in American schools, for twelve years general manager of American electric railways (in Detroit and New Jersey), and later general manager and director of the London underground railways. He was also president of the Board of Trade from 1916 to 1919. The vice chairman and chief executive officer is Mr. Frank Pick, who was managing director of the underground group of companies. These were appointed for the seven-year term. For the five-year term the members appointed were: Mr. Patrick Ashley Cooper, a director of the Bank of England and other companies, and Mr. John Cliff, assistant secretary of the Transport and General Workers Union. For the three-year term the appointees were: Sir John Gilbert of the London County Council (who died in December, 1934, and was succeeded by Mr. Charles Latham, also of the London County Council); Sir Edward J. Holland, a member of the Surrey County Council since 1913, vice-chairman and chairman of that body from 1922 to 1930, and chairman of the Association of County Councils; and Brigadier-General Sir Henry Maybury, a consulting civil engineer with war service, who was director of roads in the Ministry of Transport from 1919 to 1928 and chairman of the London and Home Counties Traffic Advisory Committee from 1924 to 1933.

SPECIAL COMMITTEES

In addition to the managing board, several other agencies are provided. The advisory committee as reorganized consists of forty members appointed by the Minister of Transport for three-year terms, including representatives of the board, labor, local authorities, police authorities, the main line railways, and other forms of transport (taxicabs and horse vehicles), but includes no direct representatives of the holders of Transport stock. A standing joint committee of eight members, four from the board and one from each of the four main line railway companies, deals with plans for the coördination of services and the pooling of earnings of the board and railway services. There are also provisions for a negotiating committee and a wages board for problems arising between the management and the employees, and for an arbitration tribunal of three members appointed by the Lord Chancellor to determine financial arrangements with the former undertakings on matters not reached by agreement.

The general basis of the financial arrangements for the transfer was to exchange "stock" in five classes for the securities of the former undertakings. Four of these classes of stock will receive interest at rates of 4½ or 5 per cent. Class C (the last class) stock has a maximum rate of 5½ per cent (in certain circumstances 6 per cent), and is thus in the position of common stock. The one important right of stockholders is that of applying to the Lord Chancellor for the appointment of a receiver, in case of the failure to pay the fixed rates of interest, or, in the case of class C stock, the failure to pay 5½ per cent interest for three successive years. The total amount of stock issued is £110,000,000.

In addition to the 1550 square miles within which the board controls all forms of local public passenger transportation, except on the main line railways and cabs, it also operates extensions over an additional area of 1,436 square miles. The scope of its undertakings may be indicated by the data in the table below (page 27) for the year ended June 30, 1935.

After taking over the existing systems, the first work of the board was the better coördination of the different undertakings. This has included the consolidation of the railway operations, some limitation of long distance coach routes, steps towards the standardization of fares, the consolidation of bus

	Route Miles	Passenger Vehicles	Passenger Journeys 1934-5 millions	Receipts 1934-35 thousands £
Main Line Railways			547	10,995
Board Railways	227	3,157	446	6,952
Tramways	324	2,473	1,013	5,933
Bus Lines Coach Lines	2,448	5,975	2,094	15,774
Trolley bus routes	18	63	23	164
Board Services	3,017	11,678	3,582	28,823[a]
Grand Total			4,129	£39,718

[a] After operation of pool.

operations, the renumbering of bus routes, and a large replacement of obsolete rolling stock. Equalizing the conditions of employment and wages has been taken in hand. No general reduction in fares has been made. The differential system is in use and will be continued. The average fare is 2.3 pennies per passenger journey. On the buses and trams the average is somewhat less than two pence; on the board railways about four pence.

Supplemental legislation by Parliament has been provided as seen in the later acts passed since 1933. A scheme for extensions and new works is in preparation which has obtained government assistance in securing the necessary capital.

The financial results show a fair degree of success, but fall somewhat short of requirements in the interest paid on class C stock, which represents 23 per cent of the total stock. Under the pooling scheme with the main line railways, the board receives 62 per cent of the net receipts from local traffic, after retaining certain operating allowances, and the main line railways receive 38 per cent. The financial summary for the year 1935-36 shows the following results (in round numbers):

Total Passenger Receipts	£40,606,339
Transport Board's Share	29,532,879
Working Expenses	25,815,821
Other Receipts	1,563,214
Miscellaneous Charges	298,077
Net Revenue	5,174,671
Capital Expenditures	3,725,169

Local rates, taxes, license and vehicle duty, licensing fees, and duties on petrol and other fuel amounted to £2,665,829, partly included in working expenses. Income tax was £348,000.

Interest at the appropriate rates has been paid on the first four classes of stock. On class C stock interest was paid at 3½ per cent for 1933-34, and at 4 per cent for 1934-35 and 1935-36. This falls short of the 5½ per cent payment which after three years from 1935-36 entitles the class C stockholders to apply for a receiver.

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Power District Legislation

PWA and REA stimulating growth of power districts in United States

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THE increasing birth rate of special municipal corporations as a result of municipalities desiring aid from PWA but hampered by constitutional debt limits has received still further impetus from recent promotional activities of the Rural Electrification Administration.

Besides encouraging the organization of non-profit electric membership corporations and the extension of municipally and privately owned systems into nearby rural areas, as well as the use of existing political units for the generation and transmission of electricity, the federal government has succeeded during the past two years in persuading ten states to set up rural electrification authorities and four to enact laws authorizing the creation of power districts.[1] In this last mentioned form of public ownership there has been unusual revival of interest with the result that there are now at least thirty-five power districts in process of organization.

What, specifically, are power districts? Why have they been formed? Are they simply creatures of the New Deal or have they a history of their own? How do the more recent types compare with the older? What significance do they have for the present and future development of rural electrification?

Power districts are political subdivisions, quasi-public corporations, of the state with territorial boundaries embracing an area wider than a single municipality, unincorporated as well as incorporated territory, within one or more counties for the generation, transmission, and distribution of electricity. In the past they have rested on voluntary organization by the governing bodies and electorate of the proposed area following petition, hearing on the lands to be included, and referendum. In addition to the usual attributes of a corporation, their elected directors have the right of eminent domain, taxation, special assessment, and separate borrowing powers. Not all power districts conform exactly with this type, but all are quite similar.

While the actual number of power districts in existence before 1933 was very small, laws authorizing their creation are by no means only of recent origin. As early as the Chicago sanitary district act of 1889 there were districts which could generate and distribute electric energy, even though this function were incidental to some other purpose such as drainage or irrigation.[2] Idaho (1915), Texas (1919), New Mexico (1921), and Nevada (1923) all sanctioned the development of power by districts of this latter type.[3] The first districts organized primarily for electric light service were those of California in 1913.[4] Arizona, Nebraska, and Montana passed similar laws in 1915; Michigan in 1927; Washington in 1930; Oregon, Wisconsin, and Wyoming in 1931; and South Carolina in 1933 and 1934.[5] During 1935 Alabama, Nevada, South Dakota, and Tennessee and in 1936 Mississippi bring the total of states permitting power districts to 19.[6]

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[1] The following states established rural electric authorities: Alabama, Mississippi, Montana, New Hampshire, New Mexico, North Carolina, South Carolina, South Dakota, Tennessee, and Vermont.

[2] Ill. Stat. Ann., sec. 42-385.

Power district laws were not all passed with the sole aim of supplying their inhabitants with electric light and power. In the dry, semi-arid regions of the southwest, where water was necessary in any case for domestic and agricultural purposes, it was felt that the financial burden of irrigation could be lightened materially by revenue from the sale of power. The same water could be used for both purposes with lower joint costs for canals and generating works than in independent systems.

States like Wisconsin, where constitutional debt limits ignored the mounting costs of local government, urged power districts as an avenue of escape from the bugbear of overborrowing. This argument was an especially cogent one during the depression.

THREATS TO PRIVATE UTILITIES

Power district laws have served also as convenient threats for groups hostile to privately owned utilities. Mere existence on the statute books, it was believed, would produce more conciliatory policies from private companies anxious to avoid the possibility of dissatisfied consumers establishing their own systems. Long-brewing opposition to exorbitant charges and unethical manipulations of private companies in California culminated in the election of Hiram Johnson as reform governor in 1910. The following years saw enacted a long series of broad legislation with public utility districts prominent among the forms authorized.

Power districts in Washington and Oregon are the fruit of bitter struggles against private utilities. The Farm Grange Association, always moving for greater equalization of rural with urban opportunities, sought for farming areas the benefits of public ownership then enjoyed only by municipalities. Chief opposition came from the cities, where private investors joined with those opposed to any threats against so lucrative a source of tax revenue as the private utility business. After considerable political agitation against propaganda playing upon sectional jealousies, public ownership advocates emerged victoriously with power district legislation.

Technical improvements such as the cutting of power leakage on long-distance transmission lines or the reduction in costs of rural line construction through mass production methods present further arguments for power district enthusiasts. In their vision of superpower grids, radiating from large generating sources such as Bonneville on the Columbia, they predict the importance of power districts as nuclei for future networks. The success of the Diesel generator in small, isolated communities, however, remains a challenge to all who urge the benefits of large-scale transmission.

Power district laws since 1933 differ

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[3] Id. Stat., sec. 42-308; Comp. Texas Stat., 1928, Arts. 7622 & 7807d; L. of N. M., 1929, sec. 73-179; Nev. Comp. L., 1929, secs. 3455 to 3495.

[4] Deering's Calif. Stat., Acts 6390 to 6394.

[5] Ariz. Code, 1928, sec. 3431; C. S. Neb., 1929 & 1933 Supp., secs. 70-101 to 70-701; Rev. Code Mont., 1921, sec. 4574; Mich. Const., Art. VIII, sec. 31; L. of O., 1931, ch. 279; Rem. Rev. Stat. Wash., Title 84, ch. 3; Wis. Stat., 1933, ch. 198; and Wy. Rev. Stat., 1931, ch. 87.

[6] Ala. G. Acts, 1935, Act 42; Stat. Nev. 1935, ch. 72; S. D. Laws, 1935, ch. 162; Tenn. Pub. Acts, 1935 1st Spec. Sess., ch. 4; and Miss. G. L., 1936.

in several interesting respects from the general run of provisions previously enacted. Influenced by the novel law enacted by Wisconsin in 1931, the new laws place far more emphasis on state control and direction of district organization through such agencies as the Public Service Commission or the State Rural Electrification Authority.

HOME RULE LOSING FAVOR

The older laws, in characteristically democratic, home rule fashion, allowed the organization of districts on popular petition or resolution of the municipal governing body, followed by hearings on the land to be included, approval by the county court or board of supervisors, and election. There was little idea of centralized planning to serve all unserved rural territory or of advice as to the economic feasibility of proposed districts. Under the 1935 laws, in addition to the methods just described, the state itself may organize power districts whenever it sees fit, without even previously consulting rural or urban areas. The state authority likewise has the power to alter boundaries, approve or order consolidations or dissolutions of two or more districts, and thus make certain that less profitable territory will not be overlooked in the formation of these *ad hoc* units. Final approval, moreover, no longer rests on popular election but rather on consent of the state body. Under older laws directors were elected; the more recent laws provide instead for appointment by the governor, another indication of the turn from home rule methods.

Financially the new districts are restricted also. The older laws usually granted broad powers of taxation, special assessment, and borrowing. More recent laws, on the other hand, permit no taxation or special assessment. Districts may fix their own rates for services. They may even obtain advances from any municipality within their territory for preliminary organization, but once organized, they are supposed to stand on their own. Alabama further emphasizes its supervisory policy by forbidding any issue of bonds without the consent of the State Public Works Board or, if such body is no longer in existence, the State Public Service Commission.

The exact number of power districts in existence in the United States will vary according to one's definition of "power districts" and the outcome of litigation involving some of doubtful status. By omitting projects which, like Crisp County, are county rather than separate and autonomous organizations and districts whose main function is drainage or irrigation, such as the Chicago Drainage, or Modesto, Turlock, and Merced Irrigation Districts in California, and the numerous county cooperatives or even less formal arrangements for power, there were at least sixteen genuine power districts fully organized and twenty-two others in various stages of organization on December 1, 1936.[7] Most of these were products of the PWA and REA loaning activities.

Considering the small number of districts actually in operation before 1935, why were not more established? In some of the laws cumbersome provisions, replete with red tape and delays, may have deterred those anxious for speedy action. In Oregon, for example, separate petitions are required to determine the advisability of forming the district and the calling of an election, an elaborate arrangement of voters' and municipal preliminary and final peti-

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[7] Their distribution by states was as follows: those fully organized, Nebraska twelve, Oregon two, Washington one, and Wisconsin one; those not completely organized, Washington twelve, Nebraska five, California three and Oregon two.

(Continued on Page 35)

Annual Appraisal of Municipal Reports

Ten years of rating find number of acceptable reports nearly tripled

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A DECADE has now passed since the first appraisal of municipal reports was inaugurated by the NATIONAL MUNICIPAL REVIEW. A tenth anniversary seems an auspicious time for taking stock of not only the progress there may have been in public reporting during this period, but also an appraisal of the rating schedule itself.

At the time of the first appraisal ten years ago, only 12 reports were found that could achieve a minimum rating of 50. Last year, in spite of the fact that the minimum had been raised to 70, there were 24 acceptable reports. This year, with 31 reports passing the test, marks a continuation of progress.

THE WINNERS

Referring to Table I, it will be observed that two reports tied for first place, with a rating of 96: Berkeley, California, and Cincinnati, Ohio. Both these cities, as well as a number of others of high rank, can be depended upon to produce very excellent reports year after year. Bangor, Maine, was third with a score of 95, then Trenton, New Jersey, with a 93 rating. Charlotte, North Carolina, Norfolk, Virginia, and Two Rivers, Wisconsin, all scored 91. Auburn, Maine, Dayton, Ohio, Louisville, Kentucky, and Pasadena, California, received ratings of 90.

Nine cities scored between 80 and 89: Austin, Texas, Binghamton, New York, Topeka, Kansas, Albert Lea, Minnesota, Milwaukee, Wisconsin, Staunton, Virginia, Henrico County, Virginia, Belfast, Maine, and West Bend, Wisconsin. The eleven other cities to score above 70 were: Bryan, Texas, New York City, Memphis, Tennessee, Stratford, Connecticut, Kenosha, Wisconsin, Ironton, Ohio, Wichita, Kansas, Oregon City, Oregon, Sacramento, California, Saline Michigan, and Winnetka, Illinois.

HONORABLE MENTION

In addition to the 31 cities listed above, 43 other cities issued general municipal reports during the year, which for one reason or another did not lend themselves to the grading schedule but were nevertheless of a high order. These were: Fillmore and Palo Alto, California; Colorado Springs, Colorado; Hartford, Connecticut; Mason City, Iowa; Atchison, Kansas; Baileyville, Brewer, Ellsworth, Mount Desert, Presque Isle, and Washburn, Maine; Mansfield, Middleboro, Norwood, Reading, Stoughton, and Westfield, Massachusetts; Grand Rapids, Kalamazoo, Muskegon, and Plymouth, Michigan; Teaneck, New Jersey; Bronxville and

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[1] The writer acknowledges the invaluable help of Herbert A. Simon in reviewing the numerous municipal reports necessary in the preparation of this article.

TABLE I
COMPARATIVE RATINGS OF MUNICIPAL REPORTS

Explanation—The number "5" denotes approach to an acceptable standard, while "0" indicates the value on that particular criterion to be practically negligible. Intervening numbers denote the degree of variation between these two extremes. A total of 100 would indicate a perfect score.

Criteria	Berkeley, Calif.	Cincinnati, Ohio	Bangor, Me.	Trenton, N. J.	Charlotte, N. C.	Norfolk, Va.	Two Rivers, Wis.	Auburn, Me.	Dayton, Ohio	Louisville, Ky.	Pasadena, Calif.	Austin Tex.	Binghamton, N. Y.	Topeka, Kans.	Albert Lea, Minn.	Milwaukee, Wis.	Staunton, Va.	Henrico County, Va.	Belfast, Me.	West Bend, Wis.	Bryan, Tex.	New York City	Memphis, Tenn.	Stratford, Conn.	Kenosha, Wis.	Ironton, Ohio	Wichita, Kans.	Oregon City, Ore.	Sacramento, Calif.	Saline, Mich.	Winnetka, Ill.
I. Date of Publication																															
1. Promptness	4	3	4	0	4	0	3	2	0	0	3	0	0	4	5	2	2	3	4	1	4	0	0	3	0	3	5	0	0	0	0
II. Physical Make-up																															
2. Size	5	5	5	5	5	5	5	5	5	5	5	5	5	5	3	5	5	4	5	5	3	5	4	5	5	5	5	5	5	5	5
3. Paper and type	5	5	5	5	5	5	5	5	5	5	5	5	5	5	4	5	5	4	5	5	4	5	5	5	5	5	5	5	5	4	5
4. Important facts	5	5	3	5	4	5	4	4	4	5	3	5	5	5	2	4	3	3	4	4	3	5	3	3	4	3	5	3	4	3	3
5. Attractiveness	5	5	5	5	5	5	4	5	5	5	5	5	5	5	3	5	4	2	5	4	3	5	4	4	4	4	4	4	5	3	4
III. Content																															
A. Illustrative Material																															
6. Diagrams & charts	4	5	3	5	4	4	4	4	5	4	4	3	4	4	3	4	4	5	4	2	3	4	3	3	4	3	0	3	4	4	2
7. Maps and pictures	5	5	5	5	5	5	4	4	5	5	4	5	4	5	4	4	1	0	1	3	4	5	5	4	2	2	2	2	5	0	0
8. Distribution	5	5	5	5	5	5	5	5	5	5	5	4	5	4	4	5	4	5	5	4	4	5	4	3	5	3	4	4	4	4	3
B. Composition																															
9. Table of contents	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	4	5	5	5	5	4	4	0	0	4	4	0	5
10. Organization chart	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	4	5	5	5	5	5	4	5	5	5	5	0	5	0	5	0
11. Letter of transmittal	5	5	5	5	3	5	5	5	5	5	5	3	5	2	4	4	4	5	4	5	4	4	4	4	3	4	3	3	0	3	4
12. Recommendations and accomplishments	5	5	5	4	4	5	5	5	4	5	4	4	4	2	4	4	4	4	5	5	4	3	3	3	3	5	3	2	2	5	4
13. Length	5	4	5	4	4	5	4	4	4	4	5	4	3	3	5	0	5	5	4	5	5	0	5	4	3	5	5	4	3	5	5
14. Literary style	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
15. Arrangement	5	5	5	5	5	5	5	5	5	4	5	5	5	5	4	5	5	5	4	4	4	5	4	5	4	4	5	5	5	5	5
16. Balanced content	5	5	5	5	5	5	5	5	5	5	5	5	5	4	4	5	5	4	3	4	5	5	5	3	5	3	5	3	5	3	5
17. Statistics	4	4	5	5	4	5	4	4	4	4	4	4	4	4	4	4	3	4	3	3	3	3	4	4	3	2	4	2	3	4	3
18. Comparative data	5	5	5	5	5	5	4	4	4	5	4	5	4	3	5	3	4	4	3	2	2	3	4	2	4	2	2	3	3	3	3
19. Financial statements	4	5	5	5	4	2	5	4	5	4	4	5	4	5	5	5	5	5	3	5	4	4	1	4	4	4	5	4	4	5	5
20. Propaganda	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	4	5	5	5	5	5	5	5	5	5
Totals	96	96	95	93	91	91	91	90	90	90	90	87	87	85	83	83	83	82	81	81	79	79	78	78	77	72	72	71	71	71	71

Larchmont, New York; Bedford and Oberlin, Ohio; Sapulpa, Oklahoma; Carlisle and West Reading, Pennsylvania; Outremont and Westmount, Quebec; Rock Hill, South Carolina; Big Spring, Texas; Bellows Falls, Rockingham, and St. Johnsbury, Vermont; Fredericksburg, Lynchburg, and Winchester, Virginia; Rhinelander, Shorewood, and Stevens Point, Wisconsin.

This total of 74 cities which issued general municipal reports this year compares with 55 last year and 47 for the year before. This is to be sure a small number when compared to the total number of American cities, but nevertheless is a sign of progress toward a wider realization that an informed citizenry is an essential of democratic government.

BASES OF APPRAISAL

The twenty criteria upon which the grading of these thirty-one reports was based are:

I. DATE OF PUBLICATION

1. *Promptness.*—The report will have little value unless published soon after the end of the period covered—six weeks as a maximum.

II. PHYSICAL MAKE-UP

2. *Size.*—Convenient for reading and filing, preferably 6" x 9".

3. *Paper and type.*—Paper should be of such a grade and the type of such size and character as to be easily read.

4. *Important facts.*—The more important facts should be emphasized by change of type or by artistic presentation.

5. *Attractiveness.*—The cover, title, introduction, and general appearance should aim to attract the reader and encourage further examination.

III. CONTENT

A. *Illustrative Material*

6. *Diagrams and charts.*—Certain established rules should be followed to insure an accurate and effective presentation.

7. *Maps and pictures.*—A few well chosen maps to indicate certain improvements, and a liberal supply of pictures, pertinent to the report, should be included.

8. *Distribution.*—Great care should be exercised in placing the illustrative material contiguous to the relevant reading material.

B. *Composition*

9. *Table of contents.*—A short table of contents in the front of the report is a great aid for ready reference.

10. *Organization chart.*—An organization chart or table indicating the services rendered by each unit, if placed in the front of the report, will help the reader to a clearer understanding of what follows.

11. *Letter of transmittal.*—A short letter of transmittal which either contains or is followed by a summary of outstanding accomplishments and recommendations for the future should open the report.

12. *Recommendations and accomplishments.*—A comparison of past recommendations with the progress toward their execution will serve as an index to the year's achievements.

13. *Length.*—Fifty pages should be the maximum length.

14. *Literary style.*—The text should be clear and concise, reflecting proper attention to grammar, sentence structure, and diction.

15. *Arrangement.*—The report of the various governmental units should correlate with the organization structure, or follow some other logical arrangement.

16. *Balanced content.*—The material should show a complete picture, and each activity should occupy space in proportion to its relative importance.

17. *Statistics.*—Certain statistics must be included, but wherever appropriate, they should be supplemented by simple diagrams or charts.

18. *Comparative data.*—The present year's accomplishments should be compared with those of previous years, but only with full consideration of all factors involved.

19. *Financial statements.*—Three or four financial statements should be included, showing amount expended and the means of financing each function and organization unit.

20. *Propaganda.*—It is unethical and in

TABLE II

TREND OF RATINGS IN INDIVIDUAL CITIES

City	1928	1929	1930	1931	1932	1933	1934	1935	1936
Albert Lea, Minnesota					87	91	92	89	83
Auburn, Maine			72	69	88	89	94	90	90
Austin, Texas	54	65	81	82	88	89	87	89	87
Berkeley, California						95	95	95	96
Cincinnati, Ohio	83	87	89	89	93	93	94	95	96
Kenosha, Wisconsin	79	68	79	79	79	83	85	81	77
Milwaukee, Wisconsin					74	83	80	82	83
Two Rivers, Wisconsin	67	78	84	86	92	85	94	93	91

poor taste to include material for departmental or personal aggrandizement. Photographs of officials, especially of administrators, seem out of place in a public report.

COMPARISON WITH PREVIOUS YEARS

The decade has seen remarkable changes in the quality, as well as in the quantity, of municipal reports. The auditor's report, with minute detail, and the inventory of property and equipment are fast disappearing. No longer is the hurried and harried citizen expected to wade through a hundred pages of meaningless facts and figures. Instead, he is treated to a brief, attractive, readable, interesting account of the activities of his city's government: brief, because the average length has decreased from 90 to 55 pages; attractive, because in physical make-up and illustrative material the modern report compares favorably with the best periodicals; readable, because the reports are not compilation but narratives, well organized, with tables of contents and organization charts; interesting, because they treat of government in terms of activities as well as of expenditures. Tables II and III furnish proof of how the reports have improved in these respects during the past ten years.

One rather recent development deserves notice. It accounts, by the way, for the apparent drop in this year's average rating for "illustrative material." There are a growing number of cities that are issuing reports designed for him who reads as he runs. Extremely brief, lacking in pictures and charts, these reports are nevertheless very effective and are too severely penalized by their failure to conform to the specific pattern set down by the present grading schedule.

The 1936 reports deserve severe criticism for the lack of promptness with which they were issued. The annual report should provide the citizens with news, not with history. The current reports were worse offenders, by far, than any of their predecessors. The

TABLE III

TEN-YEAR SUMMARY OF RATINGS

	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936
Number of Reports Appraised	12	17	20	16	14	10	13	16	24	31
Average Length (pages)	90	78	90	60	72	75	66	68	56	55*
Promptness in Issuing Reports (in months)	4.5	3.7	4.7	4.1	3.7	3.2	4.1	4.2	3.5	5.3
Physical Make-up (per cent)	78	78	82	86	81	82	87	90	91	90
Illustrative Material (per cent)	62	58	65	74	74	83	87	86	84	77
Composition (per cent)	64	66	72	79	85	89	87	87	87	86

*New York omitted

average time required for preparation was 5.3 months. A number of the best reports issued appeared within two months after the close of the year, thereby demonstrating that it can be done.

The writer has realized for some time that the present grading schedule has placed too much emphasis upon the physical make-up of the reports at the expense of the content. Perhaps this was justified a decade ago when most annual reports were about as attractive as a Model T automobile on Fifth Avenue on Easter morning. For several years a number of cities have demonstrated their ability consistently to produce reports which deserve an almost perfect rating. With these as models, a continuation of the annual appraisal hardly seems necessary to stimulate the officials of other cities to improve the make-up of their own reports.

But the municipal report is more than an example of the printer's art. It should attempt to provide the data which will aid the citizens to answer the question as to whether they are getting their money's worth from governmental expenditures. The municipal reports do not now adequately answer that question. The present appraisal schedule is also deficient in not recognizing this important factor. It is therefore proposed to completely revise the schedule during the coming year and henceforth to analyze the municipal reports on the basis of a schedule which emphasizes their content as well as their format.

POWER DISTRICT LEGISLATION

(Continued from Page 30)

tions each with separate rules of procedure. Further cause for delay came from prolonged litigation instituted by hostile private interests. In Nebraska power district laws were held unconstitutional on four occasions from 1924 to 1929. This past year again a number of newly organized districts have been challenged in the courts, usually on some procedural defect allegedly found in the law.

Other laws may never have been intended for actual use other than as threats to lower the rates of recalcitrant private companies by competition of public ownership. For some time, moreover, before the creation of REA, rural electrification costs were held prohibitive in sparsely settled regions because of heavy outlays on the small number of consumers per mile. Finally, it is true that power districts were, after all, but one of several alternatives for achieving the same end. Private and municipal plants did extend their lines into some of the more profitable rural territory, and a few farmers, individually and collectively, did manage to generate or purchase electric power.

The future of power districts in the United States is dependent in large part on the efforts of REA in stimulating a demand for electricity in rural areas. It depends also upon the extent to which the addition of *ad hoc* agencies to the already confusing network of special districts will be preferred to the use of existing political units such as the county and state. If the increasing tendency toward state control continues, however, it is quite possible these smaller districts will be absorbed in state-wide or regional grid systems. This change would be in harmony with the present movement for more planning in the conservation and use of power resources for the future.

RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmsted

Problems of State Legislatures.—Questions to be considered by various of the forty-three state legislatures which meet this month are listed by *The United States News* as follows:

California—Simplification of the tax system, and the calling of a convention to revise the state constitution.

Georgia—School support, reorganization of the highway department and regulations and investigation of the previous administration.

Idaho—The establishment of a state police department.

Illinois—Prison conditions as a possible result of a report of the governor's prison commission.

Nevada—Ratification of the child labor amendment, amendment of the election laws, and fish and game legislation.

Oklahoma—Revision of the sales tax.

Missouri—Increase in the sales tax, revision of the liquor laws, and enactment of a driver's license law.

Montana—Problems arising from the repeal of the state insurance fund law.

Pennsylvania—Reorganization of state administrative procedure in the interests of economy and efficiency.

South Carolina—Chain store and labor legislation.

Utah—Institution of the direct primary.

More than thirty states will consider legislation to obtain the benefits of the federal social security act.

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Illinois Municipal Elections in 1937 will be for a Four-Year Term.—The Illinois Municipal League conducted an active campaign in 1935 to secure four-year terms for all elected city and village officials; and the legislature enacted a series of laws at that session to bring this about. Such officials will be elected for a four-year term in 1937, unless, in the meantime, the voters of any municipality have voted to retain the two-year term.

*

Hope for Merit System in Washington State.—The initiative measure known as "The State-Wide Civil Service Law," which was defeated by a vote of 300,274 to 208,904 in the state of Washington at the November 3rd election, had as its purpose the establishment of a civil service system for the state and for the counties, cities, ports, school and park districts, and public libraries. Sponsored by the Washington State Civil Service League, the measure was patterned after the "Model Civil Service Bill," and had received the endorsement of the National Civil Service Reform League and of the Civil Service Assembly of the United States and Canada.

Members of the classified service including all but elected officials and the principal governmental school and library officers and temporary appointees for special work, were to be chosen on the basis of merit, determined by practical tests or examinations. Occurring vacancies were to be filled by appointment of the person whose name stood highest on the eligible register. No temporary appointments were to extend longer than four months, and no person might receive more than one temporary appointment in any one year.

A state commission was charged with the responsibility of preparing a classification system and adopting rules and regulations for the administration of the act. The state body was empowered to remove members of county or municipal commissions for incompetency, inefficiency, neglect of duty or violation of the provisions of the act; such removals could be made only by unanimous vote.

The most effective arguments advanced against the bill were: It would establish a powerful political machine, it would destroy home rule, it would be too expensive, it would handicap the school system, and it would promote inefficiency by "freezing" all present incumbents in office.

What was perhaps the most serious fault of the measure was not brought out by its opponents. That was the provision for the establishment of a separate commission of three, for each county, as well as seventeen city commissions and a state commission. Since many Washington counties are rural and employ only a small number of persons, it seems unnecessary that a separate civil service commission be established in each of the thirty-nine counties.

C. M. Hiberly, Chairman of the Board of the Washington State Civil Service League, has promised that the efforts of that body for the adoption of a state-wide system of merit appointments will be continued. At least the measure received a good deal of public notice, and the closeness of the vote indicates that the cause was not irretrievably lost.

Harold E. Blinn
State College of Washington

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States to Deal with Housing Problems.—At the conference of the National Association of Housing Officials at Philadelphia in December, Edward H. Foley, Jr., director, legal division, Public Works Administration, made the important announcement that the PWA is about to turn over to state and local housing authorities the responsibility of initiating, constructing and operating low-rent housing projects with PWA furnishing financial and technical assistance.

Of the forty-two states whose legislatures meet in January, many will face the necessity for some sort of housing authority legislation to administer such local control, if this predicted federal trend takes place, according to Coleman Woodbury, director of the Association.

Since 1934 twenty states have enacted housing legislation, research done by the N. A. H. O. shows. The only state law for local housing authorities in 1936 was passed in Louisiana. The California legislature passed a housing authority law last year but it was vetoed by the governor. Other states which also have unsuccessfully sought housing authority laws in 1935 and 1936 are Connecticut, Florida, Georgia, Idaho, Indiana, Iowa, Minnesota, Missouri, Oklahoma, Pennsylvania, Rhode Island, South Dakota, Utah and Virginia.

Mr. Woodbury also states that the impending housing shortage in many sizeable cities of the United States is bringing to the forefront of public attention many aspects of housing hitherto considered only by officials. The various social and economic aspects of a housing shortage will present an immediate problem for municipalities, he believes, particularly those with low-cost housing programs—a problem which will require for its solution an integrated program among official federal, state, and local agencies with private building enterprise.

*

Governmental Employees Consider Coöperative Housing.— Civil service employees in several cities, including New York, Washington, and Madison, Wisconsin, have drafted programs for coöperative housing to obtain low-cost living quarters, according to the Civil Service Assembly of the United States and Canada. In New York, federal, state, and city employees have organized the Coöperative Housing Association of Civil Service Employees which proposes the construction of coöperatively-owned apartment houses to rent for $11 a room. In Washington, an employee association has been making a study of construction materials, sources of architectural plans, and approved financing methods, as well as planning for coöperative housing projects. The Madison plan for coöperative housing was begun in 1935, and the Wisconsin State Employees' Association reports that the idea has grown greatly in popularity.

*

American Public Works Association Formed.—The American Society of Municipal Engineers and the International Association of Public Works Officials have been consolidated into a single organization, the American Public Works Association. After maintaining a joint secretariat for two years in Chicago, members of the two organizations voted to establish the unified association, "the better to serve the needs of those concerned with design, operation, and administration in the public works field." The new constitution goes into effect this month.

There will be more than eight hundred members in the American Public Works Association, including the engineers and public works administrators of the principal cities of the country. The organization's purposes, as set forth in the constitution, are to advance public works construction, maintenance, and operation; to spread information on improved practices in public works administration; and to encourage high professional and social standards among public works officials.

The two original organizations have been in existence for many years. The American Society of Municipal Engineers dates back to 1894. One of its contributions has been the establishment of standard specifications used by city engineers throughout the country. The International Association of Public Works Officials was organized in 1919. Work of its committee on uniform street and sanitation records has brought about substantial improvement in these practices in many cities.

*

Council of State Governments Meets.—The third biennial general assembly of the Council of State Governments convenes in a four-day session in Washington, D. C., at the Mayflower Hotel, beginning January 21, 1937, the day following the inauguration of President Roosevelt. The Assembly will deliberate on important problems calling for interstate action by contiguous states, and among the states and the federal government.

Each state in the union will be entitled to three official votes, cast by representatives of the governor, of the state senate, and of its house of representatives. A state, however, may send as many delegates as it wishes.

Official delegates will take actions on tangible recommendations, some in the form of model legislation measures, or reciprocal acts and compacts, which have been prepared in the interim since the 1935 Assembly by official interstate commissions working in specialized fields. Representatives of various states specially concerned with regional questions will meet in special sessions.

Among the agencies reporting on various problems of state, regional, and national significance will be the Interstate Commissions on Conflicting Taxation, Crime, Social Security, and the Delaware Basin; Tax Revision Council; American Legislators' Association; National Association of Attorneys General; and National Association of Secretaries of State.

It is expected also that certain state delegations will request special meetings on such questions as oil, tobacco, drought, labor, alcoholic beverages, motor vehicles, and civil service.

*

A Broadened View of City Planning.—The conference on city planning held in Chicago in November by the American Society of Planning Officials, attended by 165 representatives of city, county, and state planning boards, municipal officials, and others interested in planning, from 22 states, made evident the broadening scope of city planning.

Outstanding on the two-day program of discussions was a meeting given over to defining the master plan for the city, and financing it. It was agreed that the program of an adequate master plan should entail land use studies; thoroughfare and traffic plans; housing and replanning blighted areas; real estate subdivision regulations; and recreation provisions.

Close contact and understanding with the mayor or city manager, and the city council, as well as with the public works and other official departments was stressed as an important factor in the internal relationships of the local plan commission. External relationships, with county and state planning boards, and with state and national associations of planning officials, were also emphasized as needing continuous attention.

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Kentucky Improves Administrative Organization.—The establishment of a Department of Finance as a first step in the state reorganization program begun six months ago in Kentucky now centralizes authority over the purchasing, budgeting, personnel, and accounting functions, and makes it possible to report periodically to the legislature and the public on the exact condition of the state's finances.

The new Department of Revenue, with a reduced payroll, is checking tax bills owed by citizens to the state, and tax delinquencies are being reduced. Under the new arrangement the commissioner of revenue is head of the Department of Revenue and at the same time chairman of the State Tax Commission, which makes possible essential unity in planning and checking on tax and revenue problems. Dr. James W. Martin, on leave from the faculty of the University of Kentucky, is the commissioner of revenue. The new Department of Welfare, which handles institutional and other welfare activities, is already administering old-age assistance in accordance with a plan approved by the Federal Social Security Board, and is now planning to take in other phases of the social security program.

In working out its new program, Kentucky employed the technical assistance of Public Administration Service of Chicago. It is now planned to prepare comprehensive manuals describing the organization and procedures that have been installed, to facilitate state administrative operations in Kentucky and to aid other states in securing higher standards of administration.

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Council-Manager Plan Developments.—A state-wide committee to work for enabling legislation for the city manager plan has been organized in Illinois. The Chicago City Club has been active in this direction.

The mayor of Utica, New York, has appointed a charter commission of fifteen members, which, it is expected, will give careful consideration to the city manager plan.

Rochester, Minnesota, now has an official charter commission which has the manager plan under consideration.

On December 8 the township of Denville, New Jersey, defeated a proposal for the adoption of the manager plan.

*

New York Municipal Civil Service Rating Plan in Operation.—Competitive employees of the City of New York, exclusive of the uniformed forces, have now been rated for the first time under the new service rating system instituted on May 15, 1936, by the Municipal Civil Service Commission. According to the commission this system bases the award of substantial increments on factual evidence of accomplishment by the employee, instead of upon the unsupported recommendation or conclusion of his superior or his departmental personnel board. In all, under this system, 19,224 employees were rated for the first period, whereas the number in a whole year before, of three rating periods, was 1,564. Several department heads reported that disciplinary problems have been helped.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Missouri—Suggested Legislation.—As usual, on the eve of a biennial legislative session, a number of suggestions are being made for improving Missouri local government. Some suggestions are merely trial balloons; others may be enacted into law.

Governor Guy B. Park recently appointed a committee to draft legislation for state cooperation with the Federal Social Security Board. Among its committee proposals will be one modifying the constitutional and statutory provisions for old-age assistance, adopted in 1932 and 1935 respectively, which directly affects county relief loads. Old-age assistance should lead to the abandonment of many county almshouses and the establishment of district infirmaries.

Governor Park in recent addresses has advocated the consolidation of school districts, a movement that is already under way, and the consolidation of counties. The Governor says larger units would reduce the cost and improve the efficiency of local government.

State Auditor Forrest Smith has recently advocated a one-man county court in lieu of the present court of three members, that is, county board of commissioners. His full-time judge would be a limited county executive. The state auditor has also advocated an increase in the one per cent sales tax in order to reduce taxes on real estate, especially farm land.

Various associations of county officials are preparing to sponsor legislation affecting their offices. Some of the proposals are to restore their compensation to the pre-depression level. They say that restoration of salary cuts are now in order.

Three different research projects are under way, which *may* lead to legislation affecting local government. (1) The State Highway Commission, in coöperation with the United States Bureau of Public Roads and the Citizens Road Association of Missouri, is making a highway planning survey, including traffic on local roads, a road inventory, and local road finances. This information is to be used in drafting a new state highway program for Missouri, the present one expiring in 1938. (2) The Missouri State Planning Board is making a state-wide survey of county revenues and expenditures in Missouri. It is also advocating a law authorizing the establishment of county planning boards. (3) The Resettlement Administration is making a detailed study of Reynolds and surrounding Ozark counties in order to determine the effect of reforestation upon the tax base, local revenues, and governmental services.

William L. Bradshaw
University of Missouri

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New York State—Reports Concerning Local Government.—A recent series of bulletins published by the Cornell University Agricultural Experiment Station includes analyses of county and town government in New York.

Bulletin 656, "The Use and Value of Highways in Rural New York" by W. M. Curtiss, describes the use of rural highways in Tompkins County, New York, and analyzes the estimates of more than five thousand New York farmers as to the value of improved roads.

Bulletin 657, "Local Government in Tompkins County" by T. N. Hurd, describes the administration, finance, and inter-relationships of local units of government in Tompkins County, New York, and includes data on the trend in taxes and in expenditures of the various units.

Bulletin 658, "Variations in Town Taxes in New York" by M. P. Catherwood, shows the trend in town taxes from 1900 to 1934, analyzes the factors associated with variations in the rate of increase in taxes, and indicates the factors responsible for variations in town taxes at the present time.

Bulletin 659, "Receipts and Expenditures of 876 New York Towns in 1934" by M. P. Catherwood, includes an analysis of the receipts and expenditures of New York towns with a population of less than ten thousand. Town expenditures are classified and described and the primary factors related to variations in expenditures are shown.

*

New York State—Town and County Officers Training School.—A training school for town and county officers was held at Rochester, New York, on November 20 and 21, in the Chamber of Commerce Building, with an attendance of more than six hundred local officials, legislators, and citizens interested in improved government. The school was conducted by the recently incorporated Town and County Officers Training School of the State of New York, under the auspices of the Rochester *Democrat and Chronicle,* one of the Gannett newspapers. The school this year, a repetition of a similar one held last year, was the first of a series which will be held in different parts of the state and included the local officials of nine counties. Another school to be conducted by the Town and County Officers Training School under the auspices of the Buffalo *Evening News* has been definitely scheduled, and schools for other parts of the state are in prospect.

The first morning of the two-day session held at Rochester was used for a meeting of town boards, with brief remarks by Harold W. Sanford, associate editor of the *Democrat and Chronicle,* and Frank C. Moore, executive secretary of the Association of Towns. Town responsibility for official highways and fiscal affairs of towns and counties were discussed by Franklin H. Smith, attorney of the town of Pittsford, Monroe County, and by Harry T. O'Brien of the State Department of Audit and Control.

At the luncheon on Friday, Mr. Frank E. Gannett, president of the Gannett newspapers, presided. Short talks were given by a former president of the Rochester Chamber of Commerce, by the Dean of the College of Arts and Sciences of the University of Rochester, and by Dr. William Allen Eddy, President of Hobart College in which a new four-year course in citizenship has recently been introduced. During the afternoon, group meetings were held for supervisors, welfare officials, town clerks, and justices of the peace, with addresses and discussions by local officials and members of the staff of Cornell University.

Two separate sessions were held on Saturday morning and interest was such that it was necessary to continue both during the afternoon. One session was devoted primarily to problems of assessment and tax collection and was addressed by Seth Cole, counsel of the New York State Department of Taxation and Finance, and by representatives of the New York State College of Agriculture at Cornell University. Town and county highway problems were discussed at the other session.

The sponsors of the Town and County Officers Training School at Rochester have been greatly encouraged by the interest in, and response to, the schools which have been held both this year and last year. Town and county officials have demonstrated a marked interest in the solution of the problems with which they are confronted. It is believed that the development of these schools marks a distinct step forward in the understanding and improvement of local government in New York.

TAXATION AND FINANCE

Edited by Wade S. Smith

Municipal Finances for 1937.—For the first time in some years, local government enters a new twelve-month with financial prospects which are more favorable than otherwise. Thus, in spite of the blight of tax limitations in several states, of strait-jacketing exemptions in others, and of continuing scattered defaults, the general outlook is heartening. By and large, tax collections during 1936 have improved, debt readjustments have been consummated, and current operations have been stabilized or at least established a favorable trend.

That tax collections have sustained any material improvement is of itself significant, especially in view of the fact that the upturn of 1934 could in many instances be traced to HOLC activities in liquidating tax liens in connection with federal refinancing of private home mortgages, and that some portion of the 1935 collections represented tax payments by large property holders who were liquidating their arrears under the growing pressure of long delayed tax sales and foreclosures. While survey data for 1936 is of course not yet available, analysis of the collections of numerous representative cities throughout the country for the first half or three-quarters of the year indicates unmistakably that in the majority of cities tax delinquency continues on the wane and that a substantial proportion of our local units are collecting in current and back taxes sums at least equal to their current levies—some of them for the first time since 1930. The strength of the trend indicates indisputably the underlying economic recovery in most of these units, and the resumption of normal taxpaying capacity on the part of the average or home-owning citizen.

Important also in brightening the outlook for current account solvency has been the rapid rehabilitation of the capital structures of the municipalities. Tax-anticipation borrowing has tended toward a lower level than for some time, and continued curtailment of improvement programs in many units has prevented further growth of the unfunded debt burden. Moreover, many units (as those of New Jersey) have undertaken comprehensive funding operations aiming at the clearing up of floating obligations and their orderly liquidation as deferred charges. And whether for the funding of temporary obligations representing accumulated deficiencies of recent unbalanced operations, or for the purpose of financing long delayed and much needed public improvements or local sponsors' shares of federal relief projects, municipalities have found credit more abundant, cheaper, and easier than at any time in the country's recent history, a condition due in part to the striking evidences of recovery resulting from the curing of numerous default situations and in part to the prevailing low money rates resulting from the excess of capital seeking investment outlets.

Of 104 local units of 25,000 or more population which have defaulted on debt payments during the past six years, 76 per cent have been cured, according to a summary prepared by and published in the *Bond Buyer* recently.[1] Estimating the gross debt of the defaulting units at $4,360,709,000, it is estimated that all but $162,678,000 (3.7 per cent) has been removed from the default shadow, indicating that the more important situations have been remedied.

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[1] *Daily Bond Buyer,* New York. Nov. 4, 1936, page 1204.

According to the tabulation, defaults blighted the credit outlook of fifty-four cities, nineteen counties, twenty-five school districts, and six special districts in the municipalities of over 25,000 population. The special districts show the lowest ratio of cures, two of the six remaining in default, with the counties almost as bad, seven of the nineteen still being uncured. But of the fifty-four cities, all but ten have seen their capital financing rehabilitated to greater or lesser extent, and of these ten only two are in the population group of over 50,000.

Gross debt of the defaulting cities is estimated at $3,742,560,000 with all but $104,609 cured. These totals compare with $243,648,000 and $45,746,000 for counties, $113,595,000 and $11,395,000 for school districts, and $260,906,000 and $928,000 for other districts, the first figure being gross debt and the second balance uncured in each instance. While the estimates of gross debt and uncured balances are necessarily advanced with reservations, they are undoubtedly sufficiently accurate to indicate the relative importance of the different units in the general default situation. Though the data for the group under consideration shows that the large units (or at least those with larger debts) have been cured most rapidly, the *Bond Buyer* points out that "there were probably more than three thousand separate local governmental subdivisions behind in payment of some part of principal or interest on their funded, temporary, or unfunded indebtedness" during the period, complete data on which will probably never be collated.

But while the general outlook brightens, "dark continents" of local finance remain, with over-all tax limits still holding the center stage as the municipalities' biggest ogre for wholesale ravages. With West Virginia cities operating on a continuing curtailed basis approximating total abdication of local government in many respects, Ohio now steps into the limelight with potential prospects of reaching a new low in budgetary chaos, numerous special levy proposals having been defeated with indicated results the shrinking of operating funds to make way for mandatory debt service. Reports are that tax limit proposals will be made in the approaching legislative sessions of New York, New Jersey, Massachusetts, and possibly Pennsylvania, though the fate of similar proposals previously in several of these states indicates that municipalities have little fear of their passage.

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From Florida, where most local units are now one month into their tax collection year, comes news that St. Petersburg has collected well over half of its current tax roll, other cities less impressive ratios but better than for some time.

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Adding eleven odd million dollars to the $26,400,000 already saved by refunding at lower interest rates, Detroit early in December retired roughly $25,000,000 of callable term bonds by issuing an equal amount of serials. About $265,000,000 of bonds have been refunded since the city's initial default following the bank holiday of 1933. About $129,000,000 of callable bonds remain. Speeding up retirement and shaving interest with the assistance of the recent and continuing low money market have been responsible for the savings.

*

From Milwaukee, where taxpayers "representing only 25 per cent of the population, and 29 per cent of the general property, are required to pay 35 per cent of all the general property taxes levied in the state" of Wisconsin, blame for the disproportionate cost is placed by the Citizen's Bureau upon the existing governmental structure in the county, where in 235 square miles there are 93 taxing units. The legislature is urged to simplify Milwaukee county's governments.

*

Iowa farmers, home owners, used to let taxes go delinquent, then buy in their property at the tax sale for a few cents on the dollar. The 1935 legislature enacted a law to automatically transfer the lien to the political unit when there was no adequate private bid. Result—in 1923, out of $63,000 delinquent taxes, only $2,300 cash was salvaged; in 1936, out of $2,500,000 already $900,000 has been realized.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

New York Victory Contagious.—Since the adoption of proportional representation in New York City on November 3, word has come to us of new or increased activity to secure P. R. in Pittsburgh, Philadelphia, Chicago, Boston, Providence, Detroit, Columbus, Cleveland, Springfield (Ohio), Springfield (Mass.), Rochester, Schenectady County, and Richmond. In a number of these places the prospects of adoption in the not distant future seem good.

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A New P. R. Bill in Cleveland.—When the Cleveland city council recently decided in bipartisan caucus to raise the salary of its members from $1800 to $3000, Ernest J. Bohn, one of its most influential members, came forward with a counter-proposal that if the salaries were to be raised the total number of councilmen should be decreased so that the total bill to the city would not be raised and that other needed improvements should be made in the council's composition at the same time. Under the present charter the council is supposed to consist of thirty members elected from thirty new wards, but since the council has never been able to agree on a districting since P. R. went out with the adoption of the present charter in 1931, thirty-three members have been elected every two years from the old uneven gerrymandered wards which were in use before P. R. was adopted in 1921.

On December 7 Mr. Bohn introduced an ordinance to submit a charter amendment to the people at next year's regular election providing for a council of fifteen members elected from the city at large by P. R. and receiving a salary of $3600 each, with a maximum of $5000 for the president of the council. The ordinance also provides for the use of the Hare system of majority preferential voting for future elections of the mayor.

Mr. Bohn explained that he did not propose a return to the city manager plan at this time because of the popularity of the present mayor, Harold H. Burton. With regard to the use of P. R. at large he explained that it would "eliminate the narrow ward viewpoint which dominates so many discussions of the council" and by doing away with the primaries would "save the cost of one election and cut out a lot of silly primary antics." The decrease in the number of councilmen would make the total salary bill for councilmen less than at present even though the salary of each member would be doubled. At the same time the fifteen members elected by P. R. would be more representative of the city as a whole than the thirty-three elected by wards.

Two other ordinances were introduced at the same meeting to cut the number of councilmen along with a salary increase but these both proposed majority election at large with elimination primaries. These proposals, though they might raise the calibre of the council, would be likely to make it less rather than more representative, and would keep the needless expense and trouble of a second election.

*

Henry Moskowitz.—The cause of true representative government lost a very good friend in the unexpected death, on December 19, of Dr. Henry Moskowitz, chairman of the Proportional Representation Campaign Committee in the recent successful effort for the adoption of P. R. in New York City.

Dr. Moskowitz had been prominent as a mediator of labor disputes and in the settlement house movement. Under Mayor John Purroy Mitchel he was chairman of the civil service commission and commissioner of public markets. He and his wife, Mrs. Belle Moskowitz, who died in 1933, were among the close advisors of former Governor Alfred E. Smith. At the time of his death he was executive director of the League of New York Theatres and impartial chairman of the Textile Finishers Association and the men's clothing industries of New York City and Rochester.

Dr. Moskowitz's acceptance of the chairmanship of the New York City P. R. campaign brought prestige to the movement and was particularly helpful in securing wide support for it in labor circles. In accepting the office he made a statement which deserves to be remembered:

"I have been active in movements for good government a great many years in this town and I realize the uphill fight which citizens have had to bring about nonpartisan administrations. Even after we elected good men they were handicapped by the fact that they were working under an archaic instrument of government like the present charter. Those of us who love our city have frequently deplored the fact that when its government was administered by officials who were not in politics for their health they were unchecked by an articulate opposition.

"There are people in this audience who remember the campaigns in which the opposition to the dominant party polled a considerable vote, but this vote was not reflected in the election of members of the board of aldermen. The absence of an articulate opposition has not infrequently resulted in an audacity of misgovernment, inefficiency, and corruption on the part of officials of the dominant party. Sometimes it takes a dramatic situation to reveal inefficiency and corruption which has been going on for a great many years. But if there existed an articulate opposition, the light of publicity would play upon city affairs continuously and consistently. The opposition could act as gadflies to sting representatives of the majority into civic decency. Farsighted Democrats should welcome proportional representation.

"In that interesting *Primer* published by the Women's City Club of New York on 'Proportional Representation and Charter Revision,' which I commend to all of you, and which I hope will be distributed in large quantities throughout the city, I cull the following interesting figures:

UNDER PRESENT DISTRICT VOTING

Official figures of the aldermanic elections in 1935 were as follows:

		They Elected
Democratic vote	1,137,609	62 Aldermen
Republican vote	447,405	3 Aldermen
Socialist, Communist & other	127,057	0 Aldermen
	1,712,071	65

On the average, 18,348 Democrats elected an Alderman

BUT it took 149,135 Republicans to elect an Alderman.

In this election, if you were a Republican and your neighbor a Democrat, his vote was worth *eight* times your vote.

If we had proportional representation the aldermanic elections in 1935 would have resulted about as follows

The 1,137,609	Democrats would have elected	43 Aldermen
447,405	Republicans	17
127,057	Socialists, Communists & others	5
1,712,071		65

"These figures tell just what proportional representation will do. It will give every party a share in the government in proportion to its strength, which will make our vote count a great deal more than it does today.

"One objection to proportional representation is its alleged complexity. I understand that a voting machine has been devised which will register first, second, and third choice votes with the same ease as machines which are used today.

"Ladies and Gentlemen, this is a fundamental fight which will have far-reaching consequence for the welfare of our city. I welcome you all and I hope that you will do everything in your power to further our cause, so that the electors will vote "yes" on election day not only for the new charter but also for proportional representation."

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Boston Municipal Research Bureau.— The Boston Bureau, organized in early 1932, is now rounding out its fifth year of activity. The Bureau's contributions to improving Boston's government vindicate its founders' judgment that permanent improvement in city government depends on accurate, well directed research.

Fifth-year activities under the chairmanship of A. Lawrence Lowell, President Emeritus of Harvard, center around the Bureau's comprehensive program for rehabilitating Boston's finances. This program, drawn up early in 1936, serves as a master plan for Bureau effort. While Secretary H. C. Loeffler frankly admits that it may take years to put the entire program into effect, considerable progress has been made in 1936.

Attacking inadequate financial planning as a basic defect, the Bureau has issued a series of reports proposing a remodeled budget system, and the unification of the city's scattered fiscal agencies. A capital budget, pay-as-you-go financing, and long term planning are the recommendations of these and related studies.

Boston's finances are seriously complicated by the diffusion of responsibility for city finances among city, school, county, metropolitan, and state agencies. The Bureau's program therefore calls for coöperative effort by these officials. Responsibility has been partially clarified by Bureau-supported legislation abolishing the fifty-year-old city tax limit, eliminating the nine school tax limits, and removing the necessity for annual examination of city and school budgets by the legislature.

Other progress in 1936 related to the Bureau's efforts include a partial pay-as-you-go plan required by law for capital improvements, a marked decline in borrowing for current costs, the assurance of budget passage much earlier in the fiscal year, and the authorization of a mayor-council veto of school appropriations beyond certain generous allowances.

Another major step in the Bureau program is the simplification of Boston's departmental organization. At present the city is governed by 46 separate departments under 135 heads and board members. Beyond its studies of the general setup and particularly the fiscal agencies, the Bureau has continuously supported the mayor's plan for consolidating widely-scattered public works units. This plan, although five times defeated, is still a live issue.

Other objectives for Boston sponsored by its Research Bureau are improved personnel management; coöperative purchasing by city, county and school officials; and a number of specific recommendations for individual departments arising from Bureau surveys.

Particularly timely is the Bureau's recent report on managing tax-foreclosed properties. Recommendations for the use of the properties surveyed include slum clearance and neighborhood improvement, playgrounds, parking spaces, and reservations for future public works projects. The retirement of marginal properties from the market is urged and sales policies are outlined for properties to be returned to the tax rolls.

Bureau studies are made available by means of its reports and bulletins, the newspapers (over one hundred column feet a year), radio broadcasts (seventy-five in 1936), and various civic organizations. Public officials, reporters, editors, radio stations, civic associations, and private citizens are using the Bureau's facilities to an ever-increasing extent.

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Bureau of Municipal Research of the Cleveland Chamber of Commerce.— Some of the most important activities of the Bureau of Municipal Research of the Cleveland Chamber of Commerce during the past year have been in connection with the finances of the state.

About a year ago some state officials were contending that for this year the state would need $20,000,000 to $100,000,000 from new taxes. The Bureau, in connection with the research men of other chambers of commerce and trade organizations, made a study of the state's needs. It disclosed that, if the general retail sales tax, the cigarette tax, and the one-cent-per-gallon tax on liquid fuel were re-enacted, no new taxes would be needed.

After the study was completed, a group of organizations in Ohio joined in opposing the enactment of any new tax laws. This campaign was successful and it is interesting to note that Ohio will finish this year with a cash balance. For the past several weeks, the Bureau, in coöperation with the same research men, has been making a study of the state's 1937 fiscal situation. Some state officials are demanding the imposition of new taxes. The study, however, showed that the state does not need to impose any new taxes, and the same organizations are insisting that no new taxes be enacted by the Ohio general assembly. The entire question is now pending before the assembly.

The Bureau has continued its routine work of checking income and expenditures of the city, county, and board of education and of studying the 1937 financial needs of those three subdivisions. A study was also made of the expenditures of the city, county, and board of education for a period of five years. This rather extensive study served as a base for the deliberations of the Chamber's committee on taxation on the amount of operating levies the city, county, and board of education would require for 1937.

Parker Hill, *Director*

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Department of Municipal Research and Service of the City of Louisville.—During the past year the Department has been able to effect a marked improvement in garbage disposal. Recommendations of the Department were of assistance in connection with the successful efforts to install modern equipment in the assessor's office. The Department is now studying the assessing and tax collecting offices of the city with the end in view of formulating plans for more efficient and effective operation.

At the present time the staff is devoting a great deal of time to budget problems and is bringing to completion the annual report of the city.

Efforts of the Department to institute a sound pension plan for firemen and policemen have not yet been successful but progress has been made in convincing these municipal employees of the unsatisfactory character of the present pension system.

The Department's study of existing practices throughout the country with reference to bonding policemen will probably result in the discontinuance of the present policy under which the city pays premiums on bonds for all members of the police force.

Under the leadership of the Department the program of in-service training of municipal employees made steady progress. At the present time, sixty city employees are taking courses at the University of Louisville and others are doing work elsewhere.

The Department has developed a municipal reference library which is being used extensively.

One of the major responsibilities of the Department is the conduct of investigations of utility rates. During the past year the city reached an agreement with the Louisville Gas and Electric Company which resulted in reduced rates for the next two years at least. The city is still before the Public Service Commission in its fight for lower telephone rates. A favorable decision is expected in the very near future.

It is probable that the Department's studies contributed to the State Tax Commission's action in raising the assessed valuation of the Gas and Electric Company and of other public utilities in the city.

The Department is continuing its investigation of license charges and other miscellaneous sources of revenue. State legislation will be necessary to give effect to some of its recommendations.

Investigations of the Louisville Water Company (all of the stock is owned by the city) and of the municipal garage have been completed, although most of the recommendations looking towards more economical and efficient operation have not yet been adopted.

The Department is not expected to function as the city's personnel agency but, according to Director E. C. Blom, many of its difficult problems in this field are regularly brought to his attention.

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Springfield Taxpayers Association.—During the past year the Association recommended that an outside appraisal be made of the welfare department of the city. This suggestion was adopted by a special committee of the city council. As a result of this appraisal and through the coöperation of the welfare board, the administrative officers of the welfare department, and the council committee a program was developed and put into effect which brought about a considerable saving.

The Association successfully urged that the city council carefully survey the personnel, salaries, and wages in all of the departments of the city. Working with the personnel committee set up by the city council, the Association collected salary and personnel data from a number of comparable cities. As one result of this survey, department heads were instructed not to fill any vacancies without first securing the approval of the city finance committee.

Throughout the year, the Association continued to advocate the establishment of a system of centralized purchasing. It estimates that approximately $100,000 a year could be saved by eliminating favoritism in placing orders and by buying in larger quantities. In coöperation with the Purchasing Agents Association of Western Massachusetts, the Association brought to Springfield, Joseph Nicholson, purchasing agent of Milwaukee, who spoke on the value of centralized purchasing to municipalities. City officials were invited to this meeting. The Association also sponsored a meeting at which Walter Millard of the staff of the National Municipal League was the principal speaker.

The Association found occasion to commend the school committee for its frank admission that the plant maintenance department of the school system was overstaffed; the board of supervisors for the purchase of a mechanical street sweeper which is expected to save $140,000 in seven years; and the county commissioners for reducing the county budget substantially. The Association criticized, however, the use of high test gasoline in ordinary automobiles by the city, opposed borrowing for current expenses, and condemned the "spoils system."

The Springfield Association is one of the leading members of the Massachusetts Federation of Taxpayers Associations. The former director of the Springfield Taxpayers Association, Norman MacDonald, is now the executive director of the state federation. The present director of the Springfield Association is Frederic D. Griggs, a former legislator who once served as chairman of the Committee on Cities of the Massachusetts House of Representatives.

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BRIEF NOTES

San Francisco Bureau of Governmental Research.— The Bureau participated in a recent study of the police department and brought Bruce Smith, police specialist on the staff of the Institute of Public Administration, to San Francisco to make an expert appraisal of administrative practices and to submit recommendations.

Minneapolis Taxpayers Association.— Preparations for the regular session of the legislature convening in January and the work in connection with the special session held in December occupied the attention of the staff of this agency during the past weeks.

Department of Investigation of the City of Minneapolis.—A report on the police department with particular reference to the request for additional patrolmen was recently released by this new official governmental research agency. Nathan Harris is the director.

Taxpayers Research Bureau of Utica.— Appointment by the mayor of a Charter Revision Commission has placed before the Bureau an opportunity for some highly constructive work. Utica voters defeated a council-manager charter in 1933.

Tax Supervising and Conservation Commission of Multnomah County (Portland), Oregon.—A supreme court decision has deprived this fifteen-year old tax review body of authority to reduce budgets and tax rates below statutory limitations. The Commission continues, however, to make recommendations and to collect data which enable citizens to secure a comprehensive picture of local government expenditures in this metropolitan area.

Providence Governmental Research Bureau.— A report on homestead tax exemption has been issued recently.

Pierce County Taxation Bureau.—The Bureau's annual report points out the remarkable record of economy achieved by local governments in Pierce County and Tacoma during the past year.

New Jersey Taxpayers Association.— The Association's campaign for better municipal reports—financial and general—is attracting a great deal of favorable attention throughout the state.

Public Administration Service.—PAS will serve as consultant to the New York State Department of Public Welfare in connection with the comprehensive reorganization program now under way.

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Governmental Research Agencies.—How many governmental research agencies are there in the United States? This question is frequently put to the secretary of the GRA. An answer depends upon the definition of the terms "governmental research" and "agency." The Association publishes annually a complete directory of agencies engaging in governmental research with addresses and names of staff members. Readers of the Review, however, may be interested in the following selected list composed of more active agencies engaged primarily or exclusively in governmental research.

California

Bureau of Budget & Efficiency of the City of Los Angeles

Department of Budget & Research of the County of Los Angeles
San Francisco Bureau of Governmental Research
California Taxpayers Association

CONNECTICUT
Hartford Municipal League
New Haven Taxpayers, Incorporated

ILLINOIS
Civic Federation & Bureau of Public Efficiency of Chicago

INDIANA
Lake County Taxpayers Association
Taxpayers Research Association of Fort Wayne
Bureau of Governmental Research of Indianapolis Chamber of Commerce

IOWA
Des Moines Bureau of Municipal Research

KENTUCKY
Department of Municipal Research and Service of the City of Louisville
Kentucky Tax Reduction Association
Bureau of Government Research of the University of Kentucky

LOUISIANA
Bureau of Governmental Research of New Orleans

MAINE
Bureau of Research in Municipal Government of Bowdoin College

MARYLAND
Baltimore Commission on Governmental Efficiency and Economy

MASSACHUSETTS
Boston Municipal Research Bureau
Springfield Taxpayers Association
Worcester Taxpayers Association
New Bedford Taxpayers Association
Massachusetts Federation of Taxpayers Associations

MICHIGAN
Detroit Bureau of Governmental Research
Bureau of Government of the University of Michigan

MINNESOTA
Taxpayers League of St. Louis County
St. Paul Bureau of Municipal Research
Minneapolis Taxpayers Association
Department of Government of Minneapolis Civic and Commerce Association
Department of Investigation of the City of Minneapolis
Minnesota Institute of Governmental Research

MISSOURI
Kansas City Civic Research Institute
St. Louis Governmental Research Institute

MONTANA
Montana Taxpayers Association

NEBRASKA
Association of Omaha Taxpayers

NEW JERSEY
Atlantic City Survey Commission
Citizens Advisory Finance Committee of Newark
New Jersey Taxpayers Association
Princeton Local Government Survey

NEW MEXICO
Taxpayers Association of New Mexico

NEW YORK
Buffalo Municipal Research Bureau
Rochester Bureau of Municipal Research
Schenectady Bureau of Municipal Research
Taxpayers Research Bureau of Utica
Division of Research in Public Administration of New York University
Institute of Public Administration

NORTH CAROLINA
Institute of Government

OHIO
Cincinnati Bureau of Governmental Research
Bureau of Municipal Research of Akron Chamber of Commerce
Commission of Publicity and Efficiency of the City of Toledo
Ohio Institute

OREGON
Bureau of Governmental Research and Service of the University of Oregon

PENNSYLVANIA
Philadelphia Bureau of Municipal Research
Pennsylvania Economic Council

RHODE ISLAND
Providence Governmental Research Bureau

TENNESSEE
Tennessee Taxpayers Association

TEXAS
Bureau of Municipal Research of the University of Texas

(Continued on Page 52)

RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

Municipal Bonds. By A. M. Hillhouse. New York, Prentice-Hall, Inc., 1936. 579 pp. $5.00.

While reading this fine contribution to the scant literature on municipal debt defaults, two thoughts have constantly run through my mind—one, best put by Hegel as follows, "The only lesson we learn from history is that we learn none," and my own question, whether in a young, growing, capitalist, democratic country we could possibly have avoided the excesses of public borrowing, especially in local subdivisions to which speculative boom psychology has led us in the past. Without attempting to settle such unusually skeptical misgivings, because we are unable to wait on their solution anyway, the present volume has admirably lighted up the whole field and given us a background of history and has recorded the conditions which have brought default and the methods which have cured them.

If public finance officers learn the lessons taught by this volume they will face the problems of debt administration in the future with much more sanity than in the past and this will have its resultant beneficial calming and protective effect, respectively, as regards the citizens affected and the injured investor. Demagoguery on the part of the official, hysteria and tax-striking on the part of the citizen, and sharp practice on the side of the creditor will be diminished as this whole problem is better understood.

Mr. Hillhouse points out that municipal debt comprises only 11 per cent of the total debt structure, indicating the greater relative permanency of municipal corporations compared with private corporations and their greater social responsibility. He calls attention to the fact that the tax base supporting local public debt is narrower than that supporting state and federal debt and shows that defaults in municipal bonds are far fewer than in foreign, railroad, public utility, and industrial bonds. He concludes: "Most but not all cities now in default will ultimately be able to pay their debts in full . . . without doubt too much emphasis has been placed upon the legal approach to debt solutions. . . . Out of the present situation has come some constructive legislation . . . . passage by Congress in 1934 of an amendment to the federal bankruptcy act under district court supervision created widest interest. Several states have passed new refunding laws, 'receivership' statutes, and debt control acts. New administrative machinery both to prevent and cure municipal insolvency is slowly developing."

The historical treatment of "Carpetbaggers, Civil War Aids and Acts of God," "Real Estate Boom Bonds," "Other Improvement Bonds," "Special Assessment and Special District Bonds," and "Railroad Aid Bonds" is, in the main, simply a recounting of the causes and effects of using public credit for the entirely laudable but sometimes unfortunately optimistic purposes of a people who were building a new country and paying promoters to do it. These promoters frequently enough lost their own as well as the public's shirt in the process. But the country was built and now that we are a little more mature we have time to study the more glaring sins of our mis-spent youth.

The chapters on "Causes and Conditions" and "Preventing Municipal Defaults" should be placed under the uneasy pillows of every administrator of public finance. It is impossible to summarize these causes adequately in this brief space but the main contributing causes were "bank failures, peak maturities, tax delinquency, short-term loans for deficit financing, and heavy relief burdens. . . . Indirect or remote causes may be found in real estate over-development, attended by excessively rapid incurrence of debt, inadequacies in revenue systems, in lack of state supervision over local borrowing policies, or in localized economic factors which underlie the decline of individual communities."

In conclusion, Mr. Hillhouse has summarized the incidence of defaults and efforts to cure them, the underlying causes of defaults and permanent measures for their future remedy. These conclusions running to twenty-six in number are practically the debt administration equivalent of the Decalogue. With the Hegelian dictum about the impossibility of learning from history still running through my mind let me recall the conversations of the White Queen and the Red Queen in "Alice in Wonderland" referred to by Mr. Hillhouse. The White Queen thought, as indeed she said, "It's a poor sort of memory that only works backward" and for her part the Red Queen as all will remember gave Alice the eminently practical advice that one must run as hard as he can to keep in one place and twice as fast in order to get somewhere. So with precept and practice in public finance.

HALE T. SHENEFIELD, *Auditor*
Lucas County, Ohio

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Zoning. By Edward M. Bassett. New York, Russell Sage Foundation, 1936. 275 pp. $3.00.

Katherine McNamara's excellent bibliography on zoning in the United States, issued as one of the Harvard Planning Studies last year, showed the paucity of books published on this important subject. Magazine articles and reprints of addresses delivered at planning conferences make up the body of material available. The important books number less than half a dozen, most of them being part of the Harvard planning series.

This is to be expected when one considers that zoning is relatively very new, that its entire development in this country covers a span of little more than twenty years. The first commission to study and propose regulations for limiting the height and size of buildings was appointed in New York City in 1913 and the first zoning or "districting" resolution, as it was called, was passed in 1916. In view of the common acceptance of the principle of zoning today it is difficult to realize the strong popular prejudice that had to be overcome in the early years of people who thought imposing different regulations on different areas was discriminatory, arbitrary, and an unlawful invasion of private rights.

None is more qualified than Edward M. Bassett to tell us of those early years and the ensuing growth of zoning. He was in it from the beginning, being a member of both the first New York City Commission and the second whose work resulted in the first zoning plan adopted by New York City. He has been counsel of the Zoning Committee of New York since its formation and has had a prominent place on many committees on zoning, helping with the establishment of zoning in many cities in many states.

Any discussion of this subject must be legal discussion. Zoning is an invocation of the police power and has developed only as the courts have permitted it to do so. European experience could not be used to any great extent because of the protective safeguards of written constitutions in this country. The courts could always declare what was constitutional and what was not. In his discussion of the growth of zoning Mr. Bassett has cited more than a thousand cases which are indexed for ready reference.

For city officials, for the framers of zoning ordinances and city attorneys who must interpret them, the book is of practical aid. State enabling acts for zoning are described, how to go about adopting and amending zoning ordinances, zoning districts, nonconforming buildings and uses, the composition and function of boards of appeals, and court procedure and there is discussion of particular buildings and uses recognized in zoning.

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After Repeal. By Leonard V. Harrison and Elizabeth Laine. New York, Harper & Brothers, 1936. 296 pp. $2.50.

Two and a half years after repeal the authors have summarized what the federal and state governments have done and are doing to control the sale and consumption of liquor. Going further, they offer detailed suggestions, based on measures that have proved successful and those that have failed, for making this control more effective. Their work is a piece of calm and impartial analysis that should be most helpful to legislators, liquor control boards, dealers, and those interested in the social aspects of traffic in liquor.

The role of the federal government so far has been to collect duties and excise taxes, to prosecute those who evade them and to see that fair business practices prevail among liquor manufacturers and wholesalers. In the opinion of the authors this is sufficient; the controlling of traffic in intoxicating liquors should be left to the states, which are in closer contact with the social problems involved in the use of such liquors.

A map of the United States indicating the status of liquor control shows eight dry states, twenty-five in which the states license private dealers, and fifteen using the state monopoly system. Perhaps the most surprising development since repeal has been the growth of the monopoly form of control under which the government has "gone into the liquor business." It received impetus from the example of the Canadian provinces and also from the strong anti-liquor sentiment within the states which sought strict social control over the liquor business and to reduce consumption by reducing or doing away with the profit incentive in the sale of liquor. That the system would provide a rich new source of state revenue was not overlooked but the system has worked best in those states where this motive has been subordinated to others. From the standpoint of consumers an advantage of the store plan is that it gives them assurance that the goods they purchase are tax-paid and pure in quality.

Dangers that threaten the administration of state monopolies are the spoils system of employment, corruption or favoritism in making purchases, and giving to the same administrative body "the incompatible functions of operating the liquor business and of exercising control over the liquor traffic through the licensings of private dealers and the imposition of restrictive regulations applicable alike to dealers and consumers."

To meet the last difficulty the authors advocate substituting a privately owned monopoly sales corporation for the present form of state liquor commission. The trustees and officers of this corporation would have complete responsibility for the conduct of the business and also complete control over its operations. The liquor control commission would have the right to approve or disapprove the location of each new retail store and also have the exclusive power to make general regulations governing hours and conditions of sales, advertising, etc. The trustees would handle the business end and the commissioners would be supreme in matters of social control related to possible abuses in the consumption of liquor.

Conclusions relative to liquor taxation are similar to those of other students of this subject. The authors applaud the trend to lower imposts which is evident in the federal taxing policy and issue a note of warning to the states where the tendency is toward higher taxes because the states need the money. Liquor funds should not be earmarked for special purposes such as education and old-age pensions but should be part of the general funds of the state. An exception might be made in the allocation to local governmental units of sums for the enforcement of the liquor law.

Enforcement is up to the states and local units. It is suggested that it would be advantageous for the federal government to match dollar for dollar appropriations made by the states and that the dry states should be made to create special police who would devote their attention exclusively to liquor law enforcement.

Mr. Harrison and Miss Laine were both members of the staff of the Liquor Study Committee which published the valuable report "Toward Liquor Control." The Institute of Public Administration is sponsoring this further study and Dr. Luther Gulick, director of the Institute, has prefaced it with a foreword emphasizing the problems of public management involved in liquor control administration.

*

Trailers and Taxes. By Mabel L. Walker. New York, Tax Policy League, 1936. 11 pp. mimeo. Twenty-five cents.

With a million persons now living in trailers for at least a part of the year, the trailer has rolled into the field of public finance.

How and where should the trailer be taxed? How shall the muncipality offset the extra governmental costs induced by trailers that stop within its limits? How will this mobile style of living affect housing? What will its effect be upon the educational problem? Dr. Walker presents these problems and many others occasioned by the trailer, citing steps taken by municipalities in solving them.

*

Proceedings of the American Municipal Association 1931-1935. Chicago, American Municipal Association, 1936. 828 pp. $7.00.

The American Municipal Association is a federation of the leagues of municipalities in thirty states. Binding the proceedings of its annual meetings for five years in a single volume enables a study of the growth of the functions of municipalities as one responsibility after another was thrust upon them in an especially difficult period. The discussions show a steadily increasing spirit of coöperation between the municipalities of different states, an advantageous sign for the future of local government.

*

A Directory of International Organizations in the Field of Public Administration. 1936. By the Joint Committee on Planning and Coöperation. Apply to the Committee, 6 Rue de la Loi, Brussels, Belgium. 1936. 174 pp. 30 Belgian francs.

Similar in its format and arrangement of material to the "Directory of Organizations in the Field of Public Administration" issued by the Public Administration Clearing House is this directory of international organizations which influence public administration. It is presented by that committee which was formed in 1934 to bring about closer coöperation between the International Institute of Administrative Sciences and the International Union of Local Authorities and also with the various organizations in the field of public administration in this country. Rowland Egger, on leave of absence from the University of Virginia, edited the volume.

The directory lists 205 international organizations alphabetically and also according to their fields of activity. Because of their tremendous scope of activities the League of Nations and the International Labor Office are not included. The editor indicates that later a compact summary of their work may be issued as a supplement to the directory.

*

Assessment Terminology. By Committee on Assessment Terminology of the National Association of Assessing Officers, Chicago, 1936. 60 pp. Twenty-five cents.

The purpose of this preliminary report as defined by the committee was to cover practically all terms of difficult or controversial nature which are encountered by the assessor in tax law and in general tax and appraisal literature, to the extent that such terms have a direct bearing upon his work as an assessor, with particular attention given to appraisal, private accounting, legal and architectural terms, as well as those which belong more peculiarly to the field of taxation and public finance. Agreement on definition will be an important contribution to uniformity of assessment procedure which is so badly needed.

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VIRGINIA
  Bureau of Public Administration of University of Virginia

WASHINGTON
  Bureau of Governmental Research of the University of Washington

WISCONSIN
  Citizens Bureau of Milwaukee
  Wisconsin Taxpayers Alliance

HAWAII
  Hawaii Bureau of Governmental Research

CANADA
  Bureau of Municipal Research of Toronto

NATIONAL MUNICIPAL REVIEW

FEBRUARY · 1937

Let's Manage the National Government!
• • • EDITORIAL

The City Manager Steps into an Emergency
• • • HENRY G. HODGES

Progress and Prospects Under the Social Security Act
• • • FRANK BANE

Municipalities and the Federal Works Program
• • • GLADYS OGDEN

The City Manager Plan in the Saorstat Eireann
• • • ARTHUR W. BROMAGE

A Home Rule Charter for Nassau County, New York
• • • ALFRED DOUGLAS OLENA

Nebraska's Nonpartisan Unicameral Legislature
• • • L. E. AYLSWORTH

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NATIONAL MUNICIPAL LEAGUE

THE LEAGUE'S BUSINESS

Personnel Committee Issues Preliminary Report.—The committee on a model state personnel law of the National Municipal League and the National Civil Service Reform League has recently sent to all its members a preliminary draft of a model state personnel law for their criticisms and approval. The committee now expects to publish its findings within a few months. Charles P. Taft of Cincinnati is chairman of the committee; Richard Kyle, of Hawkins, Delafield and Longfellow, New York, is secretary and author of the preliminary draft.

* * *

More Words of Appreciation from our Members.—The League is always glad to hear that the REVIEW is giving satisfaction to its readers. William L. Bradshaw of the University of Missouri writes: "I should like to inform you that I think you have done an excellent job in handling the REVIEW. It certainly is the most worthwhile publication in the field of local government."

J. Rupert Mason of San Francisco says: "May I please express to you my deep appreciation of your editorial, "Toward a Municipal Land Policy." In this you have taken the kid gloves off and let us please have much more straight talk of this kind."

HOWARD P. JONES, *Secretary*

* * *

LETTERS TO THE EDITOR

To the Editor of the National Municipal Review:

Please let me suggest three slight modifications from history in the exceedingly important and interesting article by Sophia A. Olmsted in the November issue, entitled "The Municipal Power of Investigation."

1. The office of commissioner of accounts was hardly a magnet for John Purroy Mitchel, brilliant as was his work in it. When he took it he thought there was next to nothing in it. New York owes his later enthusiasm for this opportunity to coöperation from an outside governmental research agency.

2. Historically, it is hardly fair to say that between 1917 and 1934 the office went into "temporary eclipse." On the contrary, some quite extraordinary, valuable work was done during that long period but unfortunately without enough public support.

3. One reason why more benefit did not come from the office in these so-called eclipse periods was that the former charter provision was not obeyed, which required that reports of special investigations be sent to the board of aldermen—and thus to the public. Unfortunately, that extremely important safeguard against eclipse, and blackmail too, has been omitted from the new charter of New York City.

Very truly yours,

WILLIAM H. ALLEN,
Institute of Public Service

New York City, January 19, 1937

Dr. William H. Allen,
New York City
Dear Dr. Allen:—

I found your comments on my article very interesting and stimulating.

Your personal familiarity with the history of the office of the commissioner of accounts is far superior to mine, but in each case you rather prove the points made by my somewhat trite journalistic expressions.

1. In re "magnet": Regardless of the cause or credit due, it is apparently true that John Purroy Mitchel magnetized or was magnetized by the office of the commissioner of accounts in that he became aware of and used to the utmost the great potentialities of the job.

2. In re "temporary eclipse": Again, granting that the cause you ascribe was lack of public support for such good work as may have been done by the office between 1917 and 1934, because it was either pigeonholed by higher officials or met with indifference on the part of the public, the net result was "temporary eclipse."

3. Since the new charter provides that the commissioner of accounts should make any investigation directed by the mayor or the council, it seems to me that the power of council to obtain information or the results of investigations from this office is greatly enhanced.

All for those honest differences of opinion which make for good government and toward the functioning of a democracy, I am

Sincerely yours

SOPHIA A. OLMSTED

New York City, January 20, 1937

Editorial
Comment
✣
February, 1937

NATIONAL
MUNICIPAL REVIEW

Vol. XXVI, No. 2
Total No. 248

Let's Manage the National Government!

The plan for reorganization of the administrative branch of the federal government recently transmitted by the president to congress is in language long familiar to members of the National Municipal League. Recommendations hailed in some quarters as startling are recognized by League members as the application to the federal government of principles tested in the field of state and local government where they have proved their merit.

"A responsible and effective chief executive as the center of energy, direction and administrative management; the systematic organization of all activities in the hands of a qualified personnel under the direction of the chief executive; and to aid him in this, the establishment of appropriate managerial and staff agencies....Provision for planning, a complete fiscal system and means for holding the executive accountable for his program"

These phrases taken from the report of the president's committee—composed, incidentally, of three long-time active spirits in the National Municipal League, Louis Brownlow, Charles E. Merriam and Luther Gulick—might well have been referring to state or local government. They express essential ideas embodied in the council-manager plan as designed for both cities and counties. Their origin, however, is far more basic than that. As the committee explains, they are "principles drawn from the experience of mankind in carrying on large-scale enterprises" and "may be considered the first requirement of good management." They have "emerged universally wherever men have worked together for some common purpose whether through the state, the church, the private association or the commercial enterprise."

The proper scope of governmental functions was not a concern of the president's committee. Given the existing activities of the federal government, it was the task of the committee to rearrange them into a better organization through which the government might become more efficient and more responsive to the will of the people. Holding constantly in mind the principles above stated, the committee has redrawn the organization chart so that lines of responsibility can be traced through from the highest executive to the smallest administrative agency of the federal government.

To relieve the overburdened president, the committee proposes the addition to the White House staff of six executive assistants, "direct aides in dealing with the managerial agencies and administrative departments of government." To enable fixing of responsibility the president should be given direct control over the now scattered managerial functions of the government—personnel management, fiscal and organizational management and planning. This would mean that the civil service administration, the bureau of the budget and the national resources board should be part of the executive office. Now the president has the responsibility for management but no adequate machinery for exercising it.

Recommendations are made for strengthening each of these central agencies of management. The merit system should be extended to include all positions in the executive branch of the government with the exception of those which are policy-determining in character and the committee recommends reorganization of the civil service commission into a civil service administration, a central personnel agency under a single head with a non-partisan, non-salaried board of citizens to act as watchdog for the merit system and to represent the public interest in the improvement of personnel administration in the federal service. Increasing salaries in the higher administrative and professional grades is recommended as an important step in the establishment of a real career service.

So generally recognized as sound fiscal practice is the independent audit that it causes a start of surprise to be reminded that in our federal set-up we do not have it. To remedy this the committee recommends the replacement of the comptroller general and his pre-audit and veto power by an auditor general under the secretary of the treasury. The auditor general would make post audits and report to congress, with the attorney general passing on the legality of disputed expenditures.

The more than 100 independent departments, boards, commissions, authorities, agencies and activities that dangle and sprawl on the organization chart as it is now drawn, many without well defined relationships, would be placed within one of twelve departments, each headed by a cabinet member responsible to the president. To the ten major executive departments which we now have in the federal government, the committee's plan would thus add two, a department of social welfare and a department of public works. It is recommended that the name of the department of the interior be changed to the department of conservation as more accurately descriptive of its function. The interstate commerce, federal power and federal communications commissions are included among the agencies which it is proposed to place under cabinet departments with the commissions remaining as distinct judicial bodies.

The major importance of planning is recognized in the recommendation that a permanent national resources board of five members having indefinite terms and without salary be set up to serve as a central planning agency under the president and to cooperate with the local, state and interstate planning agencies throughout the nation. This agency would have a director appointed by the board who would be an executive officer in the classified service and a paid staff of career men.

Equipping the executive branch with better means of managerial direction, more efficient personnel, better fiscal controls and improved machinery for planning; simplifying its organization and reducing the number of its agencies; and making it more accountable to congress—in this formula lies the application of modern methods of public administration to enable the president to carry out the duties imposed upon him by our constitution.

It is almost gratuitous to commend this program of reorganization to RE-

(Continued on Page 108)

Progress and Prospects Under the Social Security Act

The first year finds all sections of the act in operation with over twenty-three million people under its provisions

FRANK BANE *Executive Director, Social Security Board*

The social security act is passing its third milestone. Enacted in August 1935 and effective in February 1936, it is now completing its first full year. Our confidence that the act was workable has been re-enforced by nearly twelve months of actual experience. The act is working. Every one of its ten provisions is in operation, and together they are bringing an increased measure of security to millions of people in every part of the country.

The outlook for security before the passage of the act is the best measure of the advances that have been made under it. In 1934 we remained the only great industrial nation which had no comprehensive program of social legislation. Although some communities and some states had welfare laws which offered a more or less adequate basis for meeting local needs, in many, the existing legal provisions were totally inadequate. Moreover, regardless of what their laws might provide, in recent years the majority of cities, counties, and even states have not been fiancially able to meet the demands made upon them. With local welfare expenditures in many parts of the country drastically curtailed or even suspended, the federal government had been compelled to step into the breach. And with eighteen million men, women, and children on relief, it was already bearing the heaviest share of the welfare burden, even before the social security act was proposed. But the need for federal participation was still thought to be temporary. It was not until 1935 that a nation-wide security program was generally recognized as a continuing necessity.

In contrast to the "pinch-hitting" policy of less than three years ago, the federal government is now coöperating with state and local governments in every part of the country in a long-term program of protection and prevention. About a million and a half of those who are in want through no fault of their own—the aged, the blind, and dependent children—are now receiving regular cash allowances from federal, state and local funds in forty-three jurisdictions. At the end of 1935, only about 400,000 of the needy aged were being aided by state and local assistance programs; today, nearly three times as many needy old people—about 1,133,000—are receiving assistance under federal-state programs in forty states, the District of Columbia, and Hawaii. In 1935 the average monthly expenditure for old-age assistance totaled a little more than five and one-half million dollars for all the states granting such aid; in January 1937, the total old-age assistance expenditures from federal, state, and local funds is estimated at nearly $21,232,000. Although old-age assistance has made more rapid strides than the two other public assistance programs, the numbers of needy blind being aided—nearly 32,000 in the twenty-eight states now participating in this program—and of dependent children—about 314,000 in twenty-seven states—represent substantial increases over the numbers aided in the same states before federal funds became available.

In every state in the union, local as well as state public health programs have been strengthened and expanded with federal coöperation and financial assistance. In addition, training centers for public health officers and nurses have been established and special research projects in relation to some of our most serious health problems have been undertaken. The maternal and child welfare programs and that for the vocational rehabilitation of the handicapped have progressed at substantially the same pace as the public health provisions. Federal grants are now being used in virtually all parts of the country to supplement state and local funds for these purposes.

These provisions for public assistance and for the various welfare programs represent extensions of services which most of our states and communities have for years been attempting to provide. All that these sections of the act do is to make the federal government a party to these long-established public welfare enterprises. But the act does not stop with supplementing existing programs. Nor is it limited to providing for those who are already in need. One of its major purposes is the prevention of need. This purpose, implicit in all its provisions, is the explicit objective of two sections of the act—those for unemployment compensation and old-age benefits. These measures are of special significance because they are our first attempts to forestall want and dependency and to protect our citizens and our government from ever-mounting demands for relief and assistance.

With the exception of a single state law—that originally passed by Wisconsin in 1932 but not effective until 1934—no public provision for unemployment compensation had been made prior to the passage of the social security act. Today, approximately eighteen million workers are covered by such laws in thirty-five states and the District of Columbia.

OLD-AGE BENEFITS

Finally, up to 1935 we had taken absolutely no steps to forestall the continued increase of old-age dependency, in spite of the fact that this obviously loomed as the most widespread, and in many ways most serious, of all our security problems. The system of old-age benefits established by the act went into effect on January 1; and from now on workers in our major industrial occupations will build up retirement annuities which will give them a life income, and to which they will be entitled as a right, because of their own industry and earnings during their productive years. Since November 16, when the first step toward the assigning of account numbers for these benefits was undertaken, well over 22,000,000 workers have applied for accounts, and applications are still being received.

With these provisions now offering American workers protection such as they have never had before against temporary unemployment during their working years, and against dependency after their working years are over, with federal-state public assistance and welfare provisions already in operation, this first year under the social security act has marked the greatest advance toward security ever made in this country.

This advance is one of quality as well as quantity; we have not only more provisions for security but better provisions. The states are giving assistance and protection to more people and in more adequate amounts, and they are developing programs based on a broader and more constructive concept of what social legislation means in the present-day world.

PUBLIC WELFARE PROBLEMS

Until very recently our attitudes toward public welfare have reflected the ideas of our forefathers rather than the circumstances of our own times. In incorporating the Elizabethan poor laws, with their emphasis on local responsibility and on the stigma of pauperism, into the legal structure of the civilization they were building on a new continent, our earliest colonists set a pattern which has persisted up to the present. These laws were the more readily transplanted since they were well suited to the individualism and isolation of pioneer life. But our present industrialized society creates problems and demands unthought of three hundred years ago. In attempting to meet modern conditions the social security act builds on all that is sound in our past experience, but at the same time it looks to the future. It recognizes the necessity of giving the working man an opportunity to protect himself against the economic hazards of unemployment and superannuation, and his right to governmental support in these efforts. It recognizes the necessity for placing public welfare and assistance to those who are now in need on a decent and self-respecting basis. In attempting to provide these minimum essentials for all our people, it also recognizes the diversity of problems and needs in a country where industrial and social conditions differ greatly from state to state. And in providing for three-way coöperation between federal, state, and local units of government, it recognizes that the responsibilities of each must form mutually complementary parts of an integrated whole.

With the exception of old-age benefits, plans set up under the act are state-initiated and state-administered. The act makes federal coöperation and financial assistance available. But the state remains, in effect, the keystone in the whole structure, coöperating with the federal government on the one hand and with its local subdivisions on the other. The act has enabled states to open up new welfare programs and to liberalize existing provisions. This trend toward liberalization has been particularly evident in relation to public assistance. The age, citizenship, and residence requirements, to which state plans approved under the act must conform, offer a broader coverage than most of their predecessors before federal aid was available. Less stringent property requirements and the provision that federal funds may not be used for the support of persons in institutions mean that the able-bodied may be cared for in their own homes rather than in almshouses. Without adequate funds, it was no doubt inevitable that earlier state and local laws should have set rather rigid limitations upon eligibility for assistance. Now that federal grants are available for this purpose, it is to the advantage of the state to broaden the coverage of public assistance. By helping the state to care for these three groups whose needs are likely to be continuous over long periods of time, the act tends to reduce the residual relief load for which the state and its communities must assume the entire financial responsibility.

The social security act not only makes more money available, but assists the state in seeing that it is spent so that it will do the most good. State-wide operation and state participation in administration and financing, as required under the act, have long been recognized as necessary for effective public welfare. Moreover, federal contributions for public assistance and the other services covered by the act free state and local funds which may, if the community so wishes, be used for other equally essential welfare services. As the protection offered by unemployment compensation and old-age benefits begins to play its full part in our security program, the act will have a still more direct effect upon state and local relief burdens. By striking at the roots of the problem, by forestalling, in large measure, the want which results from loss of work and from poverty in old age, these measures will in future reduce very materially the number of persons who would otherwise become either temporarily or permanently dependent upon relief or assistance.

A YEAR OF PROGRESS

The development of social legislation on a nation-wide scale is still in its pioneer stage in this country. But during this first year we have made significant progress in both phases of the double-barreled problem with which we were confronted. We have met imperative needs without delay, and at the same time we have laid a solid groundwork of administrative organization. We have been forced to act quickly to make up for our quarter century of arrears in social legislation; we have been able to act quickly because the social security act utilizes existing machinery of government coöperation.

On our first task—that of making benefits and services actually available to the individuals whom the act is designed to protect—progress has been more rapid than most of us would have cared to predict a year ago. The period of most rapid expansion in terms of numbers of individuals covered is probably over. With the initial assignment of account numbers for federal old-age benefits completed, this system will soon establish its normal routines in handling new accounts for the annual load of workers entering industry.

Under the stimulus of the favorable decision of the Supreme Court on the New York State unemployment compensation law, eighteen states passed such legislation during December; three-fourths of the states now have laws approved by the Social Security Board under which workers in covered industries will receive regular weekly payments for a definite period in case of future unemployment. Those states which have not yet enacted such legislation are, with a few exceptions, predominantly agricultural, and the coverage under the unemployment compensation laws already passed represents approximately 80 per cent of the anticipated total when all states have such laws.

Only seven states are not coöperating in at least one of the public assistance provisions and twenty-four are participating in all three. As to the proportion of those in need who are actually receiving assistance in the participating states and the number of persons who will be receiving assistance when the plans reach their maximum coverage, it is too early to make any definite conjectures. While further development in aid to dependent children may be anticipated in the states already participating in this program, it seems likely that conspicuous increases in many states will be contingent upon further liberalization of legal provisions. For old-age assistance and aid to the needy blind it is impossible to make any accurate estimates of the prospective load. The variables are still too great—depending upon state definitions of eligibility, the amount of money available from state and local sources for matching with federal funds, the states' policies with regard to the expenditure of available funds, and the eventual effect of old-age benefits upon the old-age assistance load. Up to the present it is probable that the number of persons receiving assistance reflects the states' financial capacity more nearly than the total number in need of assistance.

Further increases in the numbers

covered will also depend upon the development of social legislation in the states not yet participating fully in the provisions of the act. With 1937 a legislative year, it seems probable that a number of states which have not yet had an opportunity will soon pass the necessary legislation. Unemployment compensation is now being or will soon be considered by a number of state legislatures. In the public assistance field, a considerable amount of state action is also likely during coming months, especially with regard to aid to dependent children and to the needy blind. It is probable that the lag in the development of state programs for these two forms of assistance, as compared to those for old-age assistance, will be largely made up before the end of another year.

PROBLEMS TO BE FACED

While the next year—and many years to come—will see a steady growth in all these programs, the major task of the coming months is clearly one of development within the present framework. Although the specific problems of the various sections of the act differ in detail, in the last analysis all of them depend upon certain fundamentals. These basic problems are already recognized and steps are being taken to meet them.

The areas of federal, state, and local responsibility and the functions of agencies operating at each level must be clearly defined, and practical methods of coöperation, so well begun during this first year, must be further developed. Another direction in which further cooperation is urgently needed is in the relationship of the security programs of the various states. Unemployment compensation and public assistance, in particular, raise many interstate questions, especially as between closely neighboring states. And still another direction for the development of cooperation is in the coördination of security and welfare programs within each state. Agencies operating under the social security act and others under state and local auspices all form parts of the same picture. If these efforts are to yield their maximum in economy of administration and effectiveness of service, they must all take their places as integrated parts of a carefully planned and well organized whole. The social security programs offer a nucleus around which each state now has an opportunity to develop a comprehensive welfare program.

The whole matter of standards of eligibility and of other requirements affecting the individual offers many problems for further study and development. Though the needs to be met and the relationship of the individual to the program differ, as between unemployment conpensation and public assistance, these questions of standards and of benefits are equally urgent in both fields. Important as are actual cash payments to individuals, neither program will fulfill its entire purpose simply by handing out money. In both, these payments meet only part of the problem; whatever services will help the beneficiary to deal with his personal difficulties in a self-respecting and constructive manner are also essential. One of the most promising aspects of the social security act is the fact that its flexibility leaves the states room for experimentation and growth along these lines.

The development of increasingly efficient administrative machinery within the states, and the provision of adequate and sound state financing for the various programs are also problems with which we shall have to deal during coming months. And with every one of these other problems is linked that of personnel. It is obvious that the administration of these complex plans demands competent and experienced work-

(Continued on Page 70)

Municipalities and the Federal Works Program

Huge sums appropriated by Congress for work projects help cities transfer recipients of relief from doles to jobs

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BY the summer of 1936 more than six billions of dollars had been appropriated by Congress for the purpose of taking men and women from the relief rolls and putting them to work.[1] On December 10 of the same year 98.5 per cent of this sum had been allocated by the President, 80 per cent had been spent and 1.5 per cent remained unobligated in the United States treasury.[2]

On December 10, 1936, more than 28 per cent of the total expenditures under the work program had been of direct benefit to the municipalities, that is, it had gone for projects initiated and sponsored by cities and towns under the Works Progress Administration, the Public Works Administration, the National Youth Administration, and the Bureau of Public Roads. Nearly 40 per cent was of indirect benefit, having been allocated to the states and counties through WPA, the Rural Electrification Administration, and the FERA (during the interval between the establishment of the work program and the liquidation of direct relief), and spent largely in urban areas. A little over 2 per cent was spent by federal agencies chiefly in the cities; as was 4.1 per cent which represents the cost of administration for the program as a whole.[3]

Thus only slightly more than 25 per cent of all expenditures—or a little over one billion dollars—had on December 10 been of no particular benefit to the municipalities. This money went to rural areas under the supervision of agencies such as the Resettlement Administration and various bureaus in the Departments of Agriculture and the Interior. Some of it, moreover, such as the several hundred million dollars spent on highways and grade separations, was of benefit to the urban as well as to the rural communities.

This division of the funds is easily understood in view of the heavy concentration of the relief rolls in the cities and towns throughout the country. Because of it, however, the lines of contact between the municipalities and the work program, and the problems, misunderstandings, and adjustments involved, become of interest and importance.

GENESIS OF THE WORK PROGRAM

When the work program was officially initiated in the spring of 1935 it was the result of months of study on the part of the federal government. Faced by the spectacle of the loss of morale and self-respect on the part of those on the "dole," it had had to make a choice. The dole was relatively cheap in terms of money but expensive in terms of human resources. Work was more costly financially speaking, but in the end less costly to the nation. It was determined, therefore, to abandon the dole and to adopt a policy of work.

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[1] The Emergency Relief Appropriation Act of 1935, signed April 8, 1935, appropriating $4,880,000,000; and the Emergency Relief Appropriation Act of 1936 (Title II—Relief and Work Relief, of the First Deficiency Appropriation Bill for 1936) signed June 22, 1936, appropriating $1,425,000,000.

[2] U. S. Treasury Department, *Report Showing the Financial Status of Funds Provided in the Emergency Relief Appropriation Acts of 1935 and 1936 as of December 10, 1936*, p. 18.

[3] Approximate figures based on U. S. Treasury Department and Works Progress Administration status and progress reports.

The final choice was made in the fall of 1934. In December of that year nearly twenty million persons, or more than one-sixth of the population of the country, were on the dole, and the trend was upwards.[4] It was calculated by the FERA that a certain number of these were "unemployables" for reasons such as age, infirmity, and so on. These were to be returned to the state and local governments whence they had come in 1933 and whose responsibility it was thought they were.

Of the remainder it was found that 3,500,000 were heads of families and single persons, and it was believed that by giving them regular and relatively secure work for one year they and their dependents would be provided for until the normal pick-up of private industry absorbed them.

Next came the matter of wages. A prevailing wage for full-time work would compete with private industry, and so the so-called "security" wage was set at a figure lower than the going rate, at an average of $50 a month, with the idea that a year's employment would in most cases be provided.

The rest was a matter of mathematics. It was estimated that $4,000,000,000 would provide the necessary employment. An additional $880,000,000 would be needed to carry the CCC and the FERA until July 1, 1935, when the new program was to start.

ORGANIZATION

On April 8, 1935, the necessary funds were made available by Congress—approximately $4,880,000,000. From about the middle of March to the beginning of July the outlines of the organization and the major policies by which it was to be guided were determined.

Projects were to be sponsored by federal, state, or local governmental units, and the largest group of these were the municipalities.

For purposes of control the program was federalized. WPA approved projects from the point of view of the availability of relief labor in the areas in which work was proposed. It also determined the amount of money to which each state was entitled on the basis of its relief load, and the number to be employed. In addition it had final control of exemptions from the rule that at least 90 per cent of the labor on all projects must come from the relief rolls.

The Bureau of the Budget checked on the cost of administration. The General Accounting Office reviewed projects from the standpoint of the terms of the appropriation and currently was to conduct an audit. In many cases technical review of projects was necessary and other federal agencies were called in, such as the Central Statistical Board for research projects, the Bureau of Biological Survey and the Public Health Service for drainage projects, the Bureau of Air Commerce for airports, and so on. The President himself finally signed every project.

In addition to this there was a new and interesting development. The accounting, disbursing, and procurement units of the Treasury Department were decentralized for the first time to the state level, and occasionally even below that to the work district level. Treasury offices were set up in each state and here the financial operations of the program were controlled.

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[4] *Monthly Report of the Federal Emergency Relief Administration, December 1 through December 31, 1934,* p. 2.

Finally the United States Employment Service was drawn into the picture. All persons on the relief rolls and eligible for work under the new program were required to register with the nearest employment or re-employment office, and it was from this office that assignments to jobs were made. Reassignments were the responsibility of WPA.

At this time WPA was regarded chiefly as a controlling and coördinating agency. The greater part of the work was to be undertaken by other units, such as PWA, the Resettlement Administration, and the regular federal departments. Where gaps occurred, WPA would fill in.

THE 10 PER CENT RULE

And so the organization was outlined. As it developed through April, May, and June of 1935, certain policies heretofore more or less tacit became crystallized. First and foremost, and reiterated again and again by the President himself, was this fact: three and a half million men and women must be put to work at a cost of four billion dollars and at an average wage of fifty dollars a month. And so there was formulated a rule concerning the proportion of non-relief labor that might be used on any project. Under the FERA work program approximately 5 per cent of the labor employed was supervisory and non-relief—for the most part technical and professional people. To play safe the figure for the new program was set at 10 per cent. Exemptions could be obtained when absolutely necessary from WPA but they were to be avoided as much as possible if the purpose of the program was to be achieved.

As it turned out, by the end of August, 1936, 85.3 per cent of those employed on the work program had come from the relief rolls. For WPA the figure was 94.9 per cent, but some of the other agencies were less successful. For PWA it came only to 22.8 per cent and for another large spending agency, the Bureau of Public Roads, it reached only 32.9 per cent. Other agencies ranged between the two extremes. The CCC, the Veterans Administration, and the Departments of Commerce, the Interior, Labor, Navy, and the Treasury were fairly high. The Reclamation Service and the Rural Electrification were low.[5]

MAN-YEAR COST

It was also necessary, in view of the mathematics of the situation, that projects should not be too expensive. The man-year cost had at least to be $600, since this represented the security wage. In addition to that, materials and supervision had to be provided. Under WPA it was not required that contributions be made by sponsors but in many cases they were—largely in the form of materials and equipment—and for the first year of the program they amounted to 18.2 per cent.[6]

This caused some trouble. One city would find that it could not get a project approved unless it agreed to contribute so much in the form of materials or otherwise, while a neighboring city could get a similar project without any contributions at all. There was no uniform policy in the matter. There were, however, several points taken into consideration in Washington which resulted in the approval of one project and the rejection of another. The relief rolls in the second city may have been higher than in the first and its project more necessary, or the second city may have been contributing more on other WPA projects, or have been more heavily in debt. Perhaps it had sponsored more work under PWA where 55 per cent of the cost had by the regulations to be borne by the sponsor.

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[5] Works Progress Administration, *Report on Progress of the Works Program,* December 15, 1936, table 2, p. 54. Figures as of October 31, 1936.

[6] Ibid, October 15, 1936, p. 47.

Work undertaken by PWA differed from that of WPA in two important respects: (1) for the most part PWA work was heavy construction, and (2) it was contract work conducted at the prevailing rate of pay. Thus, it was more expensive; required a good deal of skilled labor of which there soon developed a shortage all over the country; needed extensive exemptions from the 10 per cent non-relief leeway per project; and generally was a good deal less effective as a means of removing men from the relief rolls than was WPA. On a normal PWA project—say a bridge or a high school—the average cost per man-year ranged from two to five thousand dollars. This was too expensive to be undertaken in a work relief program. In order to make the money go further, therefore, it was determined that PWA would make a 45 per cent grant and, if necessary, a loan for the remainder at 4 per cent interest. Then in calculating the man-year cost under PWA only the 45 per cent grant was taken into account, but even so it averaged about $1300,[7] whereas under WPA it came to $792 so far as the federal government was concerned and only $972 when sponsors' contributions were included.[8]

It was not determined until fairly late in the program—in the first part of June, 1935—that the man-year cost would have to be low and, indeed, very low. The result was important. The federal agencies and especially PWA had to reduce the scope of their activities. This left large gaps in the plan as a whole. WPA, therefore, which was equipped to undertake small, inexpensive projects, became the greatest spending agency in the program. It came, in fact, to dominate the program entirely since already it was chief controller and chief coördinator, and now it became chief spender as well. It is perhaps for this reason that the second work relief appropriation passed by Congress, in the summer of 1936, was made directly to WPA.

THE "BACK-LOG"

In view of the increasing importance of WPA the administrator of that agency in the state became the most important person in the work program at that level. His was the responsibility and he needed, therefore, large discretions and flexible tools with which to work. One of these was the so-called "back-log."

According to this policy, from two to three times as many projects were approved as could actually be undertaken. This was true of both WPA and, to a lesser extent, of PWA. The advantage to the WPA state administrator was that he could keep an eye on the relief load and on the projects sponsored under other agencies and fill in with his own projects where needed, choosing them from a large reservoir of approved work. If he needed a project in one county it was of no use to him to have the only available work several counties off.

This procedure helped the state administrator but it caused a great deal of trouble for the sponsor. For example, a city might have, say, sixty WPA projects accepted. At first it was assured that when these projects received final approval in Washington the federal government was committed to them, and there was every expectation that they would be undertaken and completed. But when it became apparent during July and August of 1935 that flexibility was imperative it also became clear that, say, only twenty of the projects approved for the city could be undertaken. In some cases the reasons involved were not made clear to the sponsoring authorities. They did not understand and frequently (and quite naturally) resented what they took to be a violation of an agreement. What made it worse was that one city might have, perhaps, 40 per cent of its approved projects undertaken, while a neighboring city might get only 30 per cent. The underlying reasons, of course, were the size of the relief load, local contributions, the size of the PWA program, the presence of other federal projects, etc.

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[7] First Deficiency Appropriation Bill for 1936, *Hearings before the Sub-committee of the Committee on Appropriations, United States Senate, Seventy-fourth Congress, Second Session, on H. R. 12624*, testimony of Harold L. Ickes, Secretary of the Interior and Federal Emergency Administrator of Public Works, p. 345. See also ibid, tables pp. 343-353.

[8] First Deficiency Appropriation Bill for 1936, *Hearings before the Sub-committee of the House Committee on Appropriations in charge of Deficiency Appropriations, Seventy-fourth Congress, Second Session,* Part II, testimony of Harry L. Hopkins, Works Progress Administrator, p. 119.

Fundamentally it was a matter of adjustment among many valid claims and the man in difficulty most of the time was the WPA state administrator.

SCHEDULING PROJECTS

Another aspect of the program that threatened to cause trouble, and indeed did cause some, was the plan that WPA state administrators should schedule the projects of other agencies. For instance, a sponsor might submit an application to PWA or the Bureau of Public Roads. After approval in Washington it had to be cleared, from the standpoint of available relief labor, with the WPA state administrator. If it did not fit into his program he had the authority to delay it until it did, or even to reject it entirely.

This plan never worked. So far as there was any attempt to apply it, it caused trouble, for when a project was rejected or delayed the sponsors for the most part did not understand why. The natural reaction was either to accept the situation with some resentment, or to bring pressure to bear where it would do the most good. In the end the scheme was dropped and was not provided for in the second year of the program.

POLITICS

These, then, were the outstanding problems and difficulties in the work program so far as the municipalities were concerned. They were based to some extent on misunderstandings which were unavoidable in a scheme using so many agencies and so much money. Under these circumstances it was difficult enough. But there was involved yet another problem and a very serious one. The program was being conducted in a campaign year. A great deal of money was being spent. There had been accusations of "politics in relief" under FERA. It was inevitable that similar and more vociferous complaints should be raised in 1936.

What happened was this: The President was determined to do away with the dole. He needed a free hand and a great deal of money—the largest appropriation ever made by Congress in peaceful times. Concessions were made on both sides and one was that all appointments involving an annual salary of $5,000 or more were to be confirmed in the Senate. With few exceptions the salaries of state administrators are above this figure.

The result was inevitable. WPA could not maintain as complete a control over the selection of personnel as it should have had. There was a shake-up all along the line in the old state emergency relief organizations and "friends" and "people sympathetic to the program" replaced relief administrators who were unacceptable to the Senate.

In only fourteen states was there no change of administrator.[9] In some cases adjustments were made and an unacceptable administrator was placed in a deputy position under the nominal supervision of a man confirmed in the Senate. In other states new appointments were made.

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[9] Alabama
Arkansas
Georgia
Indiana
Kentucky
Louisiana
Massachusetts
New Mexico
Ohio
South Dakota
Utah
Vermont
Virginia
Wyoming

Where the ERA administrators were confirmed under the new program the WPA organization was superimposed on the ERA. It was little more than a change of name and emphasis. Such, for example, was the case in Indiana. Direct relief was liquidated as fast as the work program was expanded. There was little change in personnel. Largely it was a question of adjusting to new methods, procedures, and policies.

But where the ERA administrators were not confirmed and where a new man was brought in, an entirely new organization was set up. New quarters and equipment were necessary—and for the most part new subordinate personnel. Under this arrangement the state ERA continued to exist until it could shift the relief rolls to the work program. In many cases some of its personnel (especially in the social work and finance divisions) was shifted to the new WPA organization. Thus, some degree of continuity was achieved but it was never entirely peaceful and occasionally it was extremely bitter.

PWA for the most part escaped criticism so far as politics were concerned; but PWA was in a peculiar position. In the first place, most of the state directors were appointed on probation as acting state directors. Only gradually were their appointments submitted to Congress. Leaking in as they did, and are still doing, there was less chance of wholesale control by the Senate. Furthermore, PWA has closer control of subordinate appointments than has WPA. WPA is really decentralized and much responsibility is placed on the state administrator; but PWA is only partially decentralized. The WPA state administrator is responsible for his entire organization; while the PWA acting state director has control of only one-fourth of the PWA state office since the other chiefs (inspection, investigation and finance) deal directly with Washington. This makes for delay, as the municipalities know, but it also makes for closer supervision from Washington.

PROGRESS AND PEAKS

With the organization and procedures determined, the work program began to move forward. The first agency to reach its peak of employment was the CCC, with 594,000 enrollees in the last week of August, 1935. Then came the Navy Department with 18,000 men employed in the third week of January, 1936. WPA, as well as the program as a whole, reached a peak in the last week of February. At this time 3,850,000 persons were at work, of which 3,036,000 (78.9 per cent) were on WPA. This was followed by a decline in the WPA rolls during the spring as the federal agencies, due to more favorable weather, picked up. The War Department programs were at a high mark with 56,000 men employed at the end of March. Next came the Resettlement Administration with 70,000 employed at the end of April, exclusive of the rural rehabilitation program.

This was followed by the programs of the Department of Agriculture, which were highest at the end of May with 72,000 at work. By the middle of July the WPA rolls had been reduced to 2,233,000 persons, and they would have gone even lower had not the drought caused them to rise in the latter part of July and in August.

The last to reach their peaks were the Bureau of Public Roads, which did not reach its maximum employment until the end of July, 1936, with 239,000 on its payrolls, and PWA which was not at full speed until the middle of August when it had 176,000 men at work.[10]

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[10] Works Progress Administration, *Report on Progress of the Works Program,* October 15, 1936, p. 91. Figures for August, 1936.

ANALYSIS OF THE EMPLOYMENT ROLLS

Analysis of the employment rolls indicates that the great mass of those on relief were among the unskilled: 75.8 per cent for WPA, 54.4 per cent for all other agencies, and 73.1 per cent for the program as a whole. It is interesting to note here that WPA was indeed a fill-in agency. Other agencies had the pick of the available labor, and WPA was left to care for those no one else could use. By and large, those among the unskilled were the least capable among the unemployed. Due to loss of morale and ability, advancing age, malnutrition and illness, many of these people might actually be classed as unemployables for few will ever have regular work in private employment again.

The next largest group were the white collar workers—professional and technical people and office workers. Again agencies other than WPA had the pick, 10.5 per cent of all their workers coming from this group. Only 9.2 per cent of those employed by WPA came from it, and for the program as a whole the figure is 9.3 per cent.

Among the skilled and semi-skilled the percentages were lower, but here again the federal agencies had the pick of the rolls, with 13.8 per cent of their workers skilled and 14.3 per cent semiskilled. For WPA the figures are respectively 5.3 per cent and 4.8 per cent, and for the program as a whole, 6.3 per cent and 5.9 per cent. For supervisory personnel and foremen the figures are 4.8 per cent for WPA, 6.7 per cent for all other agencies and 5.1 per cent for the program as a whole.[11]

The preponderance of unskilled workers among those on relief reacted upon the municipalities and determined the types of jobs which they could sponsor with any hope that they would fit into the work program as a whole. Here again was cause for trouble and misunderstanding, for in the approval process the merits of a project had often to be subordinated to its capacity for taking men and women from relief rolls.

TYPES OF PROJECTS

With the majority of those on relief classified as unskilled, it is not surprising that the bulk of the projects under WPA involved construction and repair work. On WPA, highways, roads, and streets projects employed 35.8 per cent of all labor, public buildings 9.6 per cent, parks and other recreational facilities 10.2 per cent, sewer systems and other utilities 8.4 per cent, conservation 4.2 per cent, airports and other transportation 2.3 per cent, making a total of 70.5 per cent.

White collar projects employed 10.6 per cent of all WPA labor, goods projects (largely women's work) 12.7 per cent, and sanitation and health 3.1 per cent with the same figure for miscellaneous projects.[12]

These figures are as of August 15, 1936, and are the result of a gradual shift of emphasis which had been going on during the previous nine or ten months. In general white collar and women's projects, which were slow in starting, increased slightly in importance while a decline was noticeable in certain types of construction work, especially highways, roads, and streets.[13]

THE MUNICIPAL CREDIT SHEET

What, then, after eighteen months or so, have the municipalities gotten from the work program? Some trouble and plenty of headaches, of course, especially in the early days. But as these become less important it is possible to see some very substantial and tangible gains.

Most obvious are the projects themselves: schools, hospitals, bridges, roads, utilities, airports, and so on. Less obvious is the white collar work: research accomplished, records improved, successful plays produced, music made available to those who might ordinarily not hear it. And what of education? The results in this line are more impressive than is generally known. An informal survey published on December 13, 1936, shows that WPA is training more than all the colleges and universities in the country, having 1,324,144 students enrolled under 34,440 teachers. The following types of classes are being conducted: general adult, literacy, workers, vocational, parent education, nursery schools, freshman colleges, and correspondence study centers. More than five hundred thousand persons have been taught to read and write.[14] This program would not be possible were it not for the close coöperation of local school units.

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[11] Ibid, Table 8, p. 136. Figures for March, 1936.

[12] Ibid, Table 6, p. 134. Figures for August 15, 1936.

[13] Ibid, Table 5, p. 133. Figures for August, 1936.

Less obvious still, but perhaps of more lasting importance than the actual projects, is the tremendous stimulation given by the relief and work programs of the federal government to state and local departments of public welfare. Responsibility for those in need of relief, previously the charge of state and local units, was assumed in 1933 by the federal government, for at that time there was no other solution to the problem. Generally speaking, few municipal and no state welfare departments were equipped as to personnel and funds to care for the steadily increasing numbers of those in need of general relief.

With the inauguration of the work program in the summer of 1935, those ineligible for work under the new plan were returned to state and local governments. They simply had to be cared for. On December 31, 1935, the FERA ceased officially to function but the majority of the state ERA organizations remained active. In some states they were merged with the existing state departments of public welfare. In others the ERA became the nucleus around which a state welfare department was organized where none had existed before. In a few cases the two agencies existed side by side for a time and then merged. In a number of states a portion of the final FERA grant was used for the purpose of establishing state welfare departments. Whatever the circumstances, the regional staff of the FERA was at the service of the state departments to help, when requested, with whatever problems arose.

The result is that today in twenty-seven states there are welfare departments equipped to care for those in need of general relief. The effects of this stimulation cannot help but be felt on the municipal level.

An interesting example of the current expansion of state welfare activities can be seen in Virginia. The state department of public welfare has been in existence for many years. In 1922 the general assembly provided for the development of a unified and modernized system of poor relief and general welfare in the counties and cities. Although that legislation was permissive only and did not provide for state assistance, by March of 1936 twenty of the larger counties (out of a total of one hundred) and several cities had taken advantage of it.[15]

In the session of 1936 the general assembly appropriated $925,000 for general relief during the following fiscal year.[16] It was the first appropriation ever made by the state for relief. The purpose of the act, as explained by the state commissioner of public welfare, was "to stimulate interest and responsibility in relief and welfare problems and to develop efficient, economical local services under state financial and administrative assistance."[17]

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[14] Works Progress Administration Release No. 4-1381, Dec. 13, 1936.

[15] *Public Welfare*, published monthly by the Virginia State Department of Public Welfare. March 1936, p. 4.

[16] H. B. 250, Acts of 1936.

These funds were to be apportioned among the city and county welfare departments on the basis of population and on the condition that they be supplemented locally at least to the amount of 60 per cent of the grant. Not more than 10 per cent of the state contributions could be spent for administration, but there was no such limit on the local funds. The money was to be used, furthermore, for direct rather than for work relief.

Although the individual programs were to be initiated by the cities and counties, they were to be supervised by the state. Regulations were formulated, therefore, concerning the selection and approval of personnel, uniform records, and accounts, and the scheduling of programs so as to take care of the need as it arose.[18] Officially the program started on July 1, 1936. By October seventy-three counties and twenty cities were participating,[19] and by December the number had increased to eighty-six counties and twenty-three of the twenty-four independent cities.

Similar trends may be seen in other states. With the advent of the social security program the work is progressing even faster than might have been the case. Responsibilities are increasing but so are the benefits, and the municipalities cannot help but receive a substantial part of them.

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[17] *Public Welfare,* April 1936, p. 3.

[18] Ibid, April 1936, p. 3.

[19] Ibid, October 1936, p. 2.

PROGRESS UNDER THE SOCIAL SECURITY ACT

(Continued from Page 61)

ers in every agency and at every level. The development of practical and intelligent personnel standards and of objective methods of selecting appointees, the locating of competent workers and the provision of adequate funds for employing them—all these are problems which the states are already facing. The Social Security Board stands ready, upon their request, to make whatever information it has available to the states, and to give them its fullest coöperation.

In addition, there also remains the necessity of maintaining an informed and intelligent public opinion. The popular mandate under which the social security act was proposed and passed leaves no doubt that the American people have given their wholehearted support to the development of social security measures. But if their support is to keep pace with real problems and current needs, public education must continue to be an important part of the whole program.

Growth and change are inherent in the social security act, as in every effort toward human progress through social legislation. The act itself provides for future modification by charging the Social Security Board with the duty of studying its operation and related questions, and of recommending to Congress such changes as may seem most likely to promote economic security. The Board regards this as one of its most important responsibilities, and during the past year it has assembled a great deal of information relating to it. Such recommendations as it may make from time to time will be based on the combined findings of its researches and of its practical experience. No one knows better than those who are administering it the limitations of the act; but they also recognize that the program has by no means reached its full potentialities within the present framework. A genuine spirit of coöperation and a real understanding of the purposes and problems of social legislation have characterized the work of the first year. This attitude on the part of federal, state, and local officials is an encouraging indication of its future direction.

The City Manager Plan in the Saorstat Eireann

The Irish plan of city management an adaptation of the American managerial system to the conditions of Irish local government

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THE Irish city manager plan is not an exact duplicate of the American managerial system. In form, it has fundamental differences from the American plan; in operation, the two are not so far apart. The chief difference lies in the fact that in America the city councils can appoint and remove managers, whereas in Saorstat Eireann [Irish Free State] the managers are really appointed by central authority and can be removed only with the consent of the minister for local government and public health. In the United States the manager plan developed for the most part by local option either under general state laws or municipal home rule. In Saorstat Eireann the Oireachtas or parliament has passed special managerial acts for the individual cities. This divergence in procedure is perhaps more superficial than profound. The Irish manager plan was first applied to the county borough of Cork in 1929, after certain leading citizens of Cork had made representations in its favor to the department for local government and public health. In the extension of the plan to other cities, the same general pattern has been followed in the various special acts.

The passage of the Cork city management act in 1929 was the formal inception of the movement. This act was largely the work of Mr. J. J. Horgan of Cork, of General Richard Mulcahy (then minister for local government), and of Mr. E. P. McCarron, secretary of the department of local government and public health. At the time Cork was under the control of a single commissioner appointed by central authority. Since the act established a local council with reserved functions, it was a restoration within limits of local self-government. Philip Monahan, the commissioner, was named as city manager by the act, and has remained as manager to date.

In 1930 an act was passed by the Oireachtas to extend the managerial plan to the city (county borough) of Dublin and to the borough of Dun Laoghaire. Dublin was at the time under the control of three centrally appointed commissioners. Dun Laoghaire was a new corporation created under the terms of the act by the amalgamation of certain existing urban districts in the greater Dublin area. At the time the Cumann na nGaedheal (Cosgrave) party was in power and was prepared to risk defeat in the Dail on the issue. The Fianna Fail party (de Valera) opposed the managerial system, partly because it did not allow the respective corporation councils to select the managers. Nevertheless, the act was passed, and two more manager cities were added to the roster. Later, in 1934, after the Fianna Fail party had been in power for two years, the same general plan of manager government was extended to the county borough of Limerick. At the present time there seems to be no substantial disagreement between the two major parties over the managerial system. This augurs well for its continuance and possible extension.

COUNTIES AND THE MANAGER PLAN

The Irish administrative counties have not thus far been brought under the manager plan. In the administrative counties opinion is divided on the issue. The Fianna Fail delegates, assembled for the annual Ard-Fheis of the party in 1936, passed a resolution deploring the policy of the government to eliminate local self-government. The greatest strength of the Fianna Fail party is in the rural areas. This resolution reflected, in large measure, rural opposition to the extension of the manager plan to the administrative counties. The managers are centrally appointed in the Saorstat. This is also true of all important local administrative officers. At the present time, however, locally elected county councils are the chief agents in controlling the county officers. Under the manager plan they would lose this authority to centrally appointed managers. From these facts arises the talk about local self-government; on the other hand, this sentiment is not as intense in Saorstat Eireann as in the United States. In the Saorstat the traditions run to central control, whereas in America the traditions are on the side of local self-government.

Opposition to the manager plan for administrative counties stems from motives similar to those which prompt rural opposition in America. There is the natural tendency for the county power to supervise the administrative officers and to oppose a centrally appointed manager with administrative authority. Some might say it is merely a desire to continue village-pump politics councils to resent a diminution of their in county councils; others might say that it is a sincere desire to retain a larger measure of local autonomy. The answer lies somewhere between such extreme views, and, in my judgment, leans to the former rather than to the latter.

One of the greatest problems in the immediate application of the manager idea to the twenty-six administrative counties in Saorstat Eireann, would be the probable lack of an adequate supply of first-rate managers. One can create a managerial system overnight by law and on paper, but the training of managers and the use of new and better administrative techniques are not accomplished so quickly. This, however, is a technical not a political difficulty. It is the political problem which is paramount in this issue. Any party which imposed the managerial system upon the administrative counties in the face of any considerable body of rural opposition might in the absence of other burning issues encounter serious defections at an ensuing general election. The Fianna Fail party (now in power) in view of its strength in rural areas must treat the subject of managers for administrative counties with circumspection.

CENTRAL CONTROL OVER LOCAL APPOINTMENTS

After the establishment of the Saorstat Eireann there were charges that bribery and favoritism were being employed in filling vacancies in local administrative posts. The growth of a general spoils system in local units was a possibility. As a consequence, in 1926, the Cosgrave government provided for a central body known as the local appointments commission named by the executive council of Saorstat Eireann to recommend candidates for city, county, urban district, and other local offices. The procedure followed is that of setting up a selection board appointed by the local appointments commissioners which passes on the candidates for a specific administrative post in a local unit. Candidates appear before these boards for oral interviews, and selections are made on the basis of their training and experience and their respective showings in the oral interview. The candidate chosen by the selection board is formally recommended by the local appointments commissioners. The local council has no other alternative but to accept the candidate so recommended.

The general practice has been to make only one recommendation for each post, although for a short period the de Valera government tried a policy of suggesting three names. This was abandoned when some of the candidates undertook to canvass the local councils. In the case of temporary appointments, and in certain instances in which the minister permits a local authority to promote a subordinate official to a vacant administrative post, the machinery of the local appointments commission is not set in motion.

When the manager plan was developed in the Saorstat Eireann, the office of manager was fitted into this scheme of central control over local appointments. Therein lies the fundamental difference between the American and the Irish city manager systems. The Irish city manager is recommended to the corporation by the local appointments commission. He holds office until he dies, retires, or is removed by the council with the consent of the minister for local government and public health.

RESPECTIVE POWERS OF COUNCILS AND MANAGERS

The corporation councils are elected by P. R. [proportional representation]. Dublin has a council of thirty-five members; Dun Laoghaire, one of fifteen members; Cork, twenty-one; and Limerick, fifteen. In Dublin the city is divided into five electoral areas, but in the other cities election of the council at large is the rule. In Cork seven members are elected each year; elsewhere the entire council is elected every three years. The elections are held on a nonpartisan basis. Nevertheless, the major national parties go to some lengths in informing the voters of their respective candidates in local elections. National party lines inevitably appear in the city councils, and some attempts are made to use the councils as sounding-boards on national issues. Party lines appear in such matters as the selection of lord mayors and of the members to serve on public bodies. On the other hand, many of the decisions of the councils do not entail party strife. Housing, for example, is a major activity of the local units. All parties support the existing efforts to rehouse the people of the slums.

The powers allotted to the councils are described by the various acts as reserved functions. The most important of these are the powers of the councils to make any rate for taxation; to borrow money; and to make, amend, or revoke any by-law. Authority is also reserved to the councils to promote or oppose legislation, to prosecute and defend in certain legal proceedings, to appoint the members of public bodies, to select the lord mayor or chairman as the case may be, to fix the salary of the lord mayor or chairman, and to apply to the minister for local government for an extension of the city boundaries.

The basic powers and duties of the manager are generally the same throughout the various acts. He has power to supervise the administrative officers and employees of the corporation. (However, the officers are those who have been recommended by the local appointments commission and they may not be removed without the sanction of the minister for local government.) The manager can make contracts for and on behalf of the corporation. He attends the council meetings, renders reports, and gives advice, but does not vote. It is his duty to advise the council as to the exercise of its reserved functions, to furnish information, and to make a monthly report of the city's financial position. The council may require the manager to prepare and submit plans, specifications, and estimates of cost for the execution of projects within the powers of the corporation. The manager is authorized to act only by signed order.

Except in so far as the minister's consent is required for a specific act, the manager has complete control over administrative operations. It is his duty to administer the corporation within the statutes and by-laws. His position as an administrator is a very strong one. He cannot be removed by the council on political grounds, unless the minister for local government should consent to play the same game—an unlikely contingency. Mr. Philip Monahan began service as manager of Cork in 1929, and still serves in that capacity. Mr. Gerald J. Sherlock was manager of Dublin from 1930 to the time of his retirement in 1936. Mr. Patrick J. Herman has been manager of Dun Laoghaire since 1930. The salaries of the managers are determined by the minister from time to time, so that a manager's independence cannot be undermined by local tinkering with his remuneration.

COUNCIL-MANAGER RELATIONS

In view of the disjointed legal relations between the councils and managers, a remarkable degree of coördination has existed in practice. The managers have shown a disposition to keep the peace with the councils. Oftentimes they have consulted the councillors about administrative matters clearly within the competence of the managerial office. A good deal of give-and-take has resulted from informal contacts, individual representations, deputations, and committee meetings. The managers have sought, for the most part, to listen to, and to persuade, the councils rather than to coerce them by emphasizing the legal separation of powers. When, however, a council oversteps the bounds of its authority and seeks positively to interfere with a managerial function, the manager can retreat within his legal redoubts.

For example, late in November, 1936, the borough council of Dun Laoghaire met in special session to consider the manager's administration of the small dwellings acquisition acts. The law agent, who likewise with the manager attends council meetings, informed the councillors on this occasion that they had no power to interfere with a function which was purely managerial. The chairman ruled the motion under consideration out of order. With the manager and other officials he left the council meeting. On the other hand, in considering motions which members have advanced, the various councils often debate administrative activities which are in law purely managerial. This advice or criticism may be for public consumption. If it is well founded, the manager may alter his administrative policies accordingly.

The council has the basic power of striking the rate for taxation. General agreement between the managers and the councils over rates has been the rule. The manager's estimates of the necessary funds for each fiscal year suggest the necessary rate. In Dublin and Dun Laoghaire there has been a general acquiesence by the councils in the rates proposed by the managers. In Limerick the plan has not been long in operation, but there exists at this writing a close coöperation between manager and council in financial as well as other matters. In Cork a notable exception took place in 1936 when the council made a substantial reduction in the rates proposed by the manager. When a council proposes to make a change in the manager's estimates, the manager may agree or object thereto. If the manager objects the council cannot effectuate the change until a second meeting is held after a lapse of two weeks.

In the making, amending, or revoking of any by-law it is obvious that the council would not proceed without advice from the manager and the administrative experts concerned. The council would have the final word, but it would likely grow out of the advice and assistance of the administrative staff.

The council likewise has the power to borrow money. The advice of the manager as to necessary borrowings is tendered to the council. Whether or not the council's approval is a mere formality depends on the specific project for which a loan is sought and the existing relations between manager and council. Normally managerial proposals for the incurring of debt have been foreseen and discussed in advance of their formal submission to the council. The general purposes committee of the council will report to that body on the merits of and necessity for the loan. However, the machinery does not always work without friction. A recent request of the manager in Cork for the borrowing of approximately £15,000 to take care of unforeseen expenses in the building of a swimming pool and some other deficits, was described by one councillor as a bombshell. The council appointed a special committee to report on the matter, and the manager entered some self-criticism in the record because of his failure to acquaint the council at an earlier date with the actual financial condition.

RESULTS OF THE PLAN

The results of the manager plan have been an increase in administrative efficiency and a development of public works. Cork has, for example, a new city hall and public auditorium, a new swimming pool, a system of electric lighting supplanting gas lights, and extensive housing developments. Public administration has gone forward, although the manager and the council have not always been in agreement. In fact, the Cork city councillors have not always been in agreement among themselves. During the year of 1936 on seven different occasions the effort of the council to elect a lord mayor resulted in a deadlock.

In Dun Laoghaire improvements have been made in the road system, and plans are under way for an extensive development of the sea front. Some five hundred new dwellings to rehouse slum dwellers have been built. Library services in the corporate area have been reorganized. The borough is using the town and regional planning act of 1934, for example, to prevent building operations contrary to plans for street-widening and to control the materials, color, and design of buildings. In 1936 Mr. Manning Robertson prepared a report on the history, scenery, and development of Dun Laoghaire. Prepared in connection with a town planning survey, this report is typical of the progressive spirit which pervades the borough under professional management. The manager of Dun Laoghaire presented evidence before the Greater Dublin Tribunal of 1936 in favor of a large extension of the corporate area, so that city services might be brought to the suburban hinterland and spaces acquired for parks and housing.

This same type of planning for the future appears also in Limerick under city management. There the manager has planned the rehousing of the people of the slums in areas consistent with the natural growth of the city. He has already foreseen the necessity of the council's making an appeal for an extension of the corporate boundaries, in order that the city's development may not be thwarted by artificial lines. It is this element of planning for the future as distinct from year-to-year plodding through administrative routine which distinguishes city management in the Irish Free State.

In Dublin, Manager Sherlock reported in 1936 that 4,912 new dwellings had been completed since 1930. An additional 2,690 dwellings were under construction or arranged for. The city's public lighting system had been increased by twelve thousand lamps. Improvements had also been made in roads and bridges, parks, playgrounds, fire equipment, and health administration. The program of development entailed the borrowing of £4,000,000 but the assurance brought by skilled management kept the credit of the city sound.

Results under city management in Saorstat Eireann should not be compared with American achievements without substantial reservations. The Irish city manager deals with a civilization which is much less elastic. In it, new and extensive public works are undertaken only after great deliberation and in the face of difficult labor problems. The housing program, for instance, has been handicapped in recent years by the shortage of contractors and skilled laborers. Irish city managers have inherited century-old problems, such as the slums. These difficult problems cannot be eradicated in a few years, however great the administrative effort and the financial sacrifice. It is to the credit of the Irish city managers, the public spirit of city councils, and the coöperation of the department of local government, that the respective cities are gradually solving complex issues in public administration—issues which have long been neglected or inadequately treated.

CONCLUSIONS

In the United States it is proper to refer to the city manager system as the "council-manager" plan. This official title serves in a way to interpret the essence of the system. An appropriate, official title for the Irish scheme would be the "manager-council" plan. The Irish manager-council plan can be best understood in the light of traditions of permanent tenure for city servants and central control over local government; and administrative experience in the troubled twenties of this century. The relation of the present managerial system to the traditions is apparent enough. The managerial post exemplifies both permanent tenure and central control. The importance of events in the 1920's needs some explanation. Under English rule corporation councils had been unwieldy affairs using the committee system to control administrative operations. Dublin, for instance, had a council of eighty members. After the establishment of Saorstat Eireann, the minister of local government dissolved certain corporations and placed a commissioner or commissioners in charge of municipal affairs. This explains why, as was said earlier, the Irish manager plan is not an exact duplicate of the American managerial system. It is an adaptation of the American plan to the conditions of Irish local government and a fusion of the old corporation councils and the administrative commissioners used by Saorstat Eireann in the twenties. The Irish manager-council plan works well amid the conditions for which it was devised, and that is high tribute to any institution in public administration.

Nebraska's Nonpartisan Unicameral Legislature

Members of new body are rather better equipped in native ability, educational training, and legislative experience than their predecessors

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NEBRASKA is conducting a legislative clinic or experiment station of great significance, primarily to herself but also to her sister states. The first step in the experiment, worked out in 1934, was to secure popular approval of a constitutional amendment providing for a break with an age-old tradition by substituting a one-house legislature of from 30 to 50 members for a two-house body of 133 members. The second step, just recently completed, was the selection of the charter members of this unicameral body by nonpartisan, instead of the former partisan, ballot. The third step, is that of the organization and actual working of the body as a legislative agency.

The outcome of this third and final step, the vital test of the new form, is very largely dependent upon the operation of the second in the selection of the membership of this unique body. For personnel is of primary importance in the legislature as well as other branches of government, and never more so than now. The one-house legislature, like all governmental machinery, is neither self-starting nor self-operating, though it may be a more effective legislative instrument. Its efficient working and the quality of the legislative product will depend primarily on the character and competence of the legislators elected.

On the other hand legislative machinery—form, organization, methods—exerts a twofold influence. First, it vitally affects the efficiency of legislators and the quality of their product. Second, it may serve either to attract or to repel competent men and women. Probably the highest test of any system or organ of government is the competence and public spirit of the men and women it regularly attracts and holds in its service.

This study and analysis of the personnel of the new legislature aims to discover two main things as far as possible. First, what influence, if any, was exerted on candidacy for the legislature, and the choice of members, by the nonpartisan system of nomination and election, the more than doubled salary, and the focusing of the voter's attention on the selection of one member of only one house? Second, what are the qualifications of the legislators chosen for the task ahead of them?

The number of candidates attracted was unusually large, probably larger than ever before per district and position to be filled. No fewer than 283 aspirants filed and ran for nomination in the primary election. The number per district ranged all the way from three in the first to twenty in the tenth in Omaha. The average was 6.6 for each of the 43 districts and members to be elected. In the last six elections of the two-house legislature, the highest average per senatorial district for any election was 4.4 and for all six was 3.65. The highest average per representative district for any election was five and for all six was 3.77. The average per district in the nonpartisan one-house election exceeded these by over 75 per cent. The greatest outpouring of aspirants occurred in Douglas County where 73 filed in the primary, an average of over ten for each of the seven districts. Lancaster County fell below the average with only thirteen candidates in all three districts.

Of the 283 candidates for nomination 122 had served in the legislature while 161 had not. Eighty-four members of the last legislature (22 senators and 62 representatives) and 38 former members not in the 1935 legislature, ran for nomination.

In the primary election the voters showed a decided preference for candidates with legislative experience. Of 122 such candidates, 60, or 50 per cent, were nominated while only 26, or 16 per cent, of the 161 lacking such experience survived. Within the ranks of those who had served in the legislature, a decided preference was manifested for members of the last legislature over those who were not. Of the 38 prior members not in the last legislature only five, or 13 per cent hurdled the primary as compared with 55, or 65 per cent of the members of 1935. And as between the 84 members of the last legislature seeking nomination (22 senators and 62 representatives), senators were preferred over representatives, 18, or 82 per cent of the former, and only 37, or 60 per cent, of the latter, being nominated.

In the ensuing regular election the voters continued to show the same tendencies as in the primary; first, to elect senators in preference to representatives; and second, to elect candidates who had served in the legislature in preference to those who had not. Of the 60 nominees who had served in the legislature 32, or 53 per cent, were elected, while of the 26 who had not served, only 11, or 42 per cent won out. Of the 18 senators and 37 representatives in the last legislature who were nominated, 13, or 72 per cent, of the senators, but only 15, or 40 per cent of the representatives, were approved by a majority of the voters.

NO WOMEN MEMBERS

Only seven women ran for nomination, two in one district, and one in each of five others. Of these three had been in the legislature and four had not. Two only of the seven, both of whom had served in the legislature, were nominated. Both were defeated in the regular election. Hence the new unicameral body will not have a woman member. This will be the first time since 1923 that the legislature has not had from one to three women members.

One colored member of the last legislature was renominated and reelected despite the fears of the colored leaders of Omaha, voiced in the unicameral campaign, that a small one-house legislature, with larger legislative districts, would bar negroes from any representation.

The following tabulation presents a bird's-eye view of the filings and the results of both the primary and the regular election:

	Filed in Primary	Nominated	Elected
Senators last legislature	22	18	13
Representatives last legislature	62	37	15
Members not in last legislature	38	5	4
Total members	122	60	32
Non-members	161	26	11
Grand Total	283	86	43

PARTY AFFILIATIONS

Of the 86 candidates in the regular election, 45 were Democrats, 41 Republicans. In 22 districts both candidates affiliated with the same party. In 21 districts the two candidates affiliated with different parties. But eleven of these 21 districts were won by Republicans in this strongly Democratic year, also nine of the eleven new members. The nature and result of the contests in the 43 districts, from the point of view of party affiliation and the working of the nonpartisan system, is shown by the following tabulation:

Nature of contest	No. of Districts	Party Affiliation of Candidates		Election Results	
		Rep.	Dem.	Rep.	Dem.
Rep. vs. Rep.	10	20	0	10	0
Dem. vs. Dem.	12	0	24	0	12
Rep. vs. Dem.	21	21	21	11	10
	—	—	—	—	—
	43	41	45	21	22

Thus the 43 legislators are as evenly divided as possible as to party affiliation, 21 Republicans to 22 Democrats. This result of the working of the nonpartisan method of choice presents a striking contrast to that of the partisan method of the last two elections. The 1934 election resulted in a legislature over two to one Democratic, and that of 1932 in a body Democratic by over five to one, as shown by the following tabulation:

		Senate	House	Total
1934	Democratic	22	68	90
	Republican	11	32	43
1932	Democratic	31	81	112
	Republican	2	19	21

Is there any reason to believe that party nomination and election would not have produced a similarly different result this year?

EDUCATION AND OCCUPATIONS

At least fifteen, or over one-third, of the 43 members, are college graduates, nine of them of the University of Nebraska. Several are graduates of both an arts college and college of law. Seventeen others, after completing high school, have attended college for a time, ten of them some college or school of the State University. Only about one-fourth have had no college training whatever. The academic training of three or four of these, about one-twelfth, ended with graduation from high school, while that of the rest, about one-sixth, did not extend beyond the common school. Thus the educational qualifications of the members average unusually high in comparison with those of other legislatures.

Three occupations, mainly, are represented in the new legislature: farming, law, and business. The farmers number eighteen or 42 per cent. In the last legislature farmers constituted 42 per cent of the lower house, 33 per cent of the senate, and 40 per cent of the entire membership of 133. Since 1900 the representation in the legislature of the farming industry in its various forms has varied all the way from a low of 35, or 26.3 per cent in 1915, to a high of 57, or 42.85 per cent in 1931. Hence the representation of this occupation in the unicameral legislature is greater than in the last legislature, and considerably greater than the average for all legislatures since 1900.

Ten members, or 23 per cent, are practicing lawyers, whereas they constituted only 18 per cent and 14 per cent respectively of the last senate and house, and only 15 per cent of the entire legislature. Other members have had legal training, though now engaged in other occupations. Of the eleven new members, the large proportion of five have been admitted to the bar, and four are engaged in active practice.

Another group of ten members are engaged in business of some kind—merchandising, banking, insurance, etc. A physician, a veterinarian, a football coach (also member of the bar), and two clerks complete the roster.

FORMER LEGISLATIVE EXPERIENCE

Thirty-two members of the first one-house body have had legislative experience varying from one short special session to all the sessions of twelve legislatures, while eleven, or only a fraction over a fourth, have had none. Three members, appointed to fill vacancies, have had experience in only one short special session. Sixteen members have served one term, that of the last legislature with its two sessions. Thirteen members have served more than one term. The average length of service for these thirteen veterans is almost five terms, that for all 32 who have served is over 2.5 terms, and that for the entire 43 is 1.9 terms. Those general service averages are higher than those of either of the last two legislatures. The proportion of members who have seen two or more terms of service, nearly one-third, is distinctly higher. Moreover, they have all either risen to positions of leadership or held outstanding committee chairmanships or served on various important committees.

What generalizations may one make from the facts here presented? First, the nonpartisan system of choice produced a strikingly different result as to the political complexion of the legislature. In a strongly democratic election year, the legislature is not partisanly lopsided as heretofore, but evenly divided. Candidates who lived up to the spirit of the nonpartisan system were usually preferred by the voters over these who did not. Candidates who had served in the legislature were not turned down for purely party reasons. Second, the one-house legislature of 43 proves to be representative. Despite dire predictions of opponents of the unicameral form, the farmer is certainly just as fully represented as in past legislatures. In ability and experience he may prove to be even better represented. Third, there was no striking change in the type or occupational grouping of the members elected. In the main, the voters preferred and chose those who have been members. The members elected for the first time do not stand out as a distinctly new or higher type of legislator, though the percentage of those of college and technical training is higher than usual. Any appreciable improvement in personnel, therefore, will probably come through better selection from among the usual type, rather than from the attraction and election of an entirely new type of member. This is the natural and to-be-expected result. Only visionaries expected the change to one house of 43 members, with doubled salary and nonpartisan choice, would result in any revolutionary transformation in personnel. Moreover, such a revolutionary change is probably not desirable, and certainly not necessary to secure much better results. Fourth, it would appear that the charter members of Nebraska's first one-house legislature are rather better equipped in native ability, educational training, and legislative experience for the task facing them than those of any legislature in many years.

THE LEGISLATURE ORGANIZES

In organizing for their task of lawmaking the members of the new body were faced with two conditions wholly new to them—nonpartisanship and unicameralism. Two problems had to be worked out at the start in harmony with these new ideas: one, the adoption of an initial method of selecting officers and constituting committees; the other, the formulation of a permanent set of rules providing for officers, committees, and legislative procedure.

The use of the traditional party caucus was outlawed. There is no evidence of any resort to it. Even the suggestion of a preliminary nonpartisan caucus was rejected. Nominations for speaker and other officers were made by informal ballot. Then followed election by ballot, either unanimously or by vote on the three highest. Later this procedure was embodied in the permanent rules.

A very complete and modern set of rules, carefully prepared in advance with the aid of parliamentary experts by a member of wide legislative experience, has been adopted with but few changes. The rules are especially designed to promote efficiency, publicity, deliberation, and responsibility.

The number of standing committees is fixed at sixteen instead of 68 as in the last legislature (32 in the senate and 36 in the house). They vary in size from five to eleven and provide for a total of only 124 committee assignments. Thus, one-fourth of the members are enabled to concentrate on the work of only two committees each and nearly all the rest on that of only three committees each.

As heretofore in Nebraska, committees are elected by the legislative body on recommendation of a broadly representative committee on committees of eleven members chosen by it—the chairman at large and two members from each of the five congressional districts.

A schedule of committee meetings has been so arranged that not a single member is faced with a conflict. Each committee is to keep a record of its proceedings. Any two members may demand a record vote on any bill or amendment which is to be included in the committee report and entered in the daily legislative journal. Final action on any bill is to be taken only at a regularly scheduled meeting, and not until after a public hearing of which five days' notice has been given.

A proposal to abolish the committee of the whole, commonly used in Nebraska, was rejected. But to fix responsibility the rules provide that it shall keep a record of its proceedings and upon the request of any member a yea and nay vote shall be taken on any question and be included in the daily journal.

To guard against too hasty legislation it is provided that no bill shall be placed on third reading and final passage until five legislative days after its initial reference to the committee on enrollment and review, nor until two legislative days after its reference to the third reading file. Printed copies of the bill in final form for passage must be on the members' desks for one legislative day before the final vote is taken.

The constitutional limit of twenty days for the introduction of bills was purposely omitted by the framers of the unicameral amendment. The new rules re-establish a limit, but of thirty legislative days, except upon recommendation of the governor. At the expiration of the fifteenth day only 71 bills have been introduced, in contrast to about 400 in the same time two years ago. Many more will be introduced during the second fifteen days. It is not expected, however, that the total will exceed 300 to 350 as compared with a total of 1,039 (363 in the senate and 676 in the house) two years ago.

The spirit of nonpartisanship, so manifest in the election of the members, has been studiously observed by them in the work of organization. The dean of the body in point of service, a Republican, received a majority vote for speaker on the informal ballot. A Democrat, second in length of service, was unanimously elected chairman of the very important committee on committees. The legislators from each of the five congressional districts nominated two of their number to be members of this committee. The Republicans had

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A Home Rule Charter for Nassau County, New York

County executive, modern budget system, departments of planning and assessing, and consolidation of welfare agencies among advantages secured under new charter

ALFRED DOUGLAS OLENA *Nassau County Commission on Governmental Revision*

THIS statement is a historical review of the charter movement in Nassau County, New York, and a resume of the campaign for its adoption, rather than an argumentative discourse as to why the new charter meets the formula of ideal county government.

Nassau County really started its educational campaign for a charter as far back as 1912. In that year the Nassau Association was organized for the purpose of studying our county government and recommending any changes deemed necessary. This was a voluntary association of some of our prominent civic-minded citizens who made a thorough study of the situation and reported that, because of the provisions of the state constitution and the general state laws, no particular revision of the county government should be attempted. The Nassau Association, however, made two very important contributions. First, it planted in our people the seed of governmental change consciousness; secondly, it was the beginning of a movement in Nassau County in 1914 in coöperation with a commission appointed by Westchester County, which led to the adoption of the amendments to sections 26 and 27 of article 3 of the New York State constitution known as the Westchester-Nassau amendment of 1921. This amendment allowed a reorganization of county government in these two counties, although subsequent events have shown that it was perhaps too restricted.

In December 1921, pursuant to a state law, the board of supervisors of Nassau County appointed a commission, known as the Pettit Commission, to study the county government and make recommendations. The Pettit charter was drawn pursuant to the Westchester-Nassau amendment mentioned above. This charter bill was passed by the legislature in 1923, but failed in 1925 on referendum.

Various groups of citizens and civic organizations continued their efforts to modernize our county government, and in 1933 a voluntary, unofficial committee was organized, usually known as the Cuff Bipartisan Commission. It drafted a charter which passed the legislature in 1935, but upon submission to the voters in the fall of that year was rejected.

The continued agitation for changes in local government was supplemented by the state-wide propaganda of various governors of New York State, which gradually crystallized public interest in this subject. The result was that our board of supervisors in February 1934 took a most logical and necessary step in authorizing an impartial and detailed survey to be made of the Nassau County government and its various departments as well as of the constituent governmental units of the county. This survey was made by the Consultant Service of the National Municipal League which should be complimented upon the thoroughness, helpfulness, and intelligence of its report filed with the board of supervisors in the fall of 1934.

The board of supervisors on December 31, 1934, believing that the public had now become sufficiently interested in possible changes in county government, appointed the present so-called Nassau County Commission on Governmental Revision in accordance with the state law, with power to study local governmental conditions and recommend changes.

Meanwhile, the Fearon amendment to section 26 of article 3 of the state constitution had been passed by the state legislature, becoming effective as a result of the November election of 1935. This amendment greatly extended the powers to reorganize county government, allowed the abolition of constitutional offices, and the transferring and consolidation of functions of towns, cities, villages and special districts, and the duties of county officers, which heretofore were not legally possible in the opinion of many.

The Nassau County Commission on Governmental Revision consists of seventeen representative citizens selected by the board of supervisors from all sections of the county. Although there were members with both Republican and Democratic affiliations, none could be classed as politicians in the common acceptance of that term. The commission organized early in January 1935, chose its officers, and adopted the general policy which it was to pursue.

At the outset the commission decided to hold well advertised public hearings to which all civic organizations and county, town, city, village, and other governmental officers, past and present, were invited. These hearings were held and the opinions expressed there considered before any final discussion or determination of the provisions of the charter was attempted.

WORK OF THE COMMISSION

The commission studied the reports of the previous charter commissions, the county survey, and the governmental and historical associations of the various units in the county. Special committees of the commission were appointed to draft certain sections of the charter such as county assessing, planning, public works, condemnation, and the creation of a new district court. The work of the special committees was reviewed and acted upon by the commission as a whole.

The commission was given absolute freedom of action and wholehearted support financially and otherwise by the board of supervisors. All its members served without pay. The Consultant Service of the National Municipal League was retained in an advisory capacity.

Before outlining the essential provisions of the charter, I think it would be best to set forth a brief history of the county and the problems with which the commission was faced.

Nassau County contains three towns: Hempstead, Oyster Bay, and North Hempstead. It is the only county in the state having so few towns, and Hempstead and Oyster Bay are two of the oldest towns in the United States. In fact, they were in existence and functioning more than one hundred years before the American Revolution.

Originally the towns furnished the only government that the people had in that section of Long Island, extending from Long Island Sound on the north to the Atlantic Ocean on the south. The county originally had no other function except to furnish a court and a law enforcing officer known as the sheriff. The county of Nassau, created in 1899, was originally the easterly part of the county of Queens. As the population increased in its towns, villages and cities were created but leaving a large unincorporated area governed by the towns. Modern improvements such as sidewalks, electric lights, and sewers were supplied by special improvement districts in these unincorporated areas. The areas covered by these improvement districts in many cases overlap each other and also overlap village and city boundaries. Each local improvement is paid for by bonds for the payment of which taxes are levied on the property within such special improvement district. In addition to the three towns and sixty-five incorporated villages, there are two cities of the third class, sixty-five school districts each with its separate bonded debt, and about 174 special improvement districts. In other words, the commission was dealing with three historic towns for which the people had special affections and particular associations and which furnish good government in the unincorporated sections, and also 306 other separate governmental units in addition to the county itself, a total of about 310 units of government.

Nassau County, adjoining New York City on the east, according to the United States census reports, has been during the last fifteen years and is today the fastest growing county in New York State, perhaps in the entire United States. Its population has increased from 55,000 in 1900 to over 400,000, estimated, in 1936. The assessed value of its real estate for tax purposes today approximates one billion dollars. The three towns have had their separate assessors who employ different bases of valuation. Some sections of the county are so densely populated as to be urban in character, some suburban, and still other parts continue rural.

CHARTER PROVISIONS

The charter was drawn under the provisions of the Fearon amendment. Generally speaking, it modernizes the county government. In addition to making many minor changes and improvements to increase efficiency and make for economy of operation, some of its more important features are the following:

1. It furnishes better county home rule by taking away from the legislature the right to interfere with many of the local county affairs without a referendum.

2. It creates a county executive, elected at large. The responsibility for appointments of heads of departments, boards, and commissions, excepting those few elected, is placed upon the county executive subject to confirmation by the board of supervisors. The county executive is the administrative head of the county and the presiding officer of the board of supervisors. He has a vote only in case of a tie in the board.

3. The board of supervisors continues as the legislative body. It is composed of six representatives elected by the three towns and two cities, with its former administrative powers transferred to the county executive. The board of supervisors makes the laws and raises and appropriates all the money for the county. Heretofore the two supervisors from the town of Hempstead, because of its population and high property valuation, had more votes in the board than those from the other two towns and two cities combined, but the charter now provides that no town shall have more than 50 per cent of the total votes in the board.

4. A modern budget system is created with adequate provision for public hearings and publicity before adoption of a proposed budget by the board of supervisors. The county executive has the power to veto, subject to overruling by a two-thirds vote of the board of supervisors, if any items in the budget are increased. The charter further

provides for mandatory administrative control of all expenditures and transfer of departmental appropriations by the executive.

5. It creates a county planning department to provide a plan for public highways and buildings and open spaces. Zoning is left to the towns, cities, and villages as at present, excepting within three hundred feet of the boundaries of adjoining towns, municipalities, and marginal waterways, where the consent of the county planning commission is required. This is to prevent dumping of public facilities by one community on another and to prevent planning or zoning in this area by local municipalities contrary to the county plan. Protection is also given to the unincorporated areas and to those municipalities which have no planning or zoning commission of their own by preventing an illegal subdivision of land or the creation of unconnected or inadequate streets.

6. The county comptroller, the county attorney, county clerk, sheriff, county judge, and surrogate are elected at large and their duties remain practically unchanged, except that the comptroller is given greater powers in the supervision and auditing of the accounts of special districts and generally in supervising the fiancial affairs of the county.

ASSESSMENT OF PROPERTY

7. A new department of assessment is created consisting of a county board of five assessors, two to be appointed by the town board of the most populous town and one each from the other towns, and the chairman to be elected at large by the county. The duty of the board of assessors is to assess all of the real property situated in the county and liable for taxation for state, county, town, school and special district purposes, leaving the assessment for city and village purposes to the cities and villages themselves. The members of the board do not actually assess the property, but act through deputy assessors appointed by the chairman who are to be members of the civil service. They will work under rules and regulations adopted by the board of assessors as outlined in the charter. The county board of assessors sits as a board of appeals to adjust any inequalities and settle grievances. The result of this more scientific method of assessing property on a county-wide basis, with proper tax maps and modern scientific rules, is intended to obviate the present inequalities between the various towns and districts and to avoid the present confusion of properties in single ownership that overlap town lines, and also to abolish the present county board of equalization which is expensive, but which does not function properly.

8. The charter consolidates various welfare agencies in the county. It creates a county-wide department of health and for the first time creates an agency in Nassau County to dictate health measures and control the spread of disease. It provides for laboratories and clinics not now in existence. The state of New York, to encourage the creation of a county health department, agrees to pay one-half of the cost of operating the county health department.

COURTS MADE MODERN

9. Justices of the peace, relics of the earliest Colonial times, now have jurisdiction of civil cases up to two hundred dollars and also act as coroners. They are paid on both a fee and salary basis, and until the passage of the Fearon amendment as constitutional officers they could not be abolished. This charter abolishes the justices of the peace both as judicial officers and coroners. It creates the office of county

medical examiner to act as coroner and establishes a district court system with civil jurisdiction up to one thousand dollars and with criminal jurisdiction covering misdemeanors. It does not abolish the local village police judges. It limits their jurisdiction, however, to the enforcement of local village ordinances, excepting drunken driving traffic violations. Heretofore, on appeal from a justice of the peace decision, the county judge was compelled to try the case *de novo,* with the production of all necessary witnesses. This burden to the taxpayer has been abolished and appeals can now be taken directly to a higher court on printed or typewritten record. There is a chief judge elected at large in the county and six judges elected from the three towns in accordance with their population. The judges will rotate in the various districts in accordance with the schedule provided by the board of judges, who will also make rules for the conduct of the courts. A code of procedure was incorporated in the charter more from necessity than preference, but this code was taken practically entirely from the municipal court act of the city of New York which has been in use for many years and has been thoroughly tested and generally understood.

10. A department of public works of which the commissioner of public works will be the head, is created to take over the work now done by the county engineer. His powers are broader and more comprehensive than now existing. They include not only the construction, repair, and maintenance of county buildings and maintenance and operation of any water and sewage system and other public facilities which may come under the control of the county, but also the lighting of all county highways and the removal of snow from the county roads, whether or not such roads run through a city, village, or unincorporated area of the county. Upon the making of a comprehensive water, garbage, sewage, and drainage plan for the county, the public works department is given additional control over the construction, maintenance, and operation of these facilities.

The charter as drafted was presented on January 27, 1936, to the board of supervisors, who accepted it after a hearing. It was then presented to the assemblymen and senator representing Nassau County in the state legislature. The state constitution requires that such a bill be passed by the legislature, signed by the governor, and then referred to a referendum of the people of the county.

The bill passed the assembly unanimously almost immediately after its introduction, but it was blocked in the senate from February until June when it was finally passed unanimously and signed by Governor Lehman on June 5, 1936.

The commission knew from experience that a campaign of education was necessary if the charter was to be adopted at the polls. An educational committee of the commission was appointed which in fact acted as a campaign committee. Although the leader of the Republican party in Nassau County endorsed the work of the commission after it had been approved by the board of supervisors and gave his unselfish and constant support to the charter, both in the legislature and during the campaign for its adoption, nevertheless, the Republican party in Nassau County did not formally endorse the charter until the early part of October. The Democratic party in Nassau County never endorsed the charter, although the Democratic candidate for Congress and state senator and other leading Democrats announced their approval during the campaign. The leader of the Democratic party, however, about one week before election announced his disapproval of the charter and advised the Democrats to vote against it.

CAMPAIGN OF EDUCATION

The educational committee of the commission used every means possible to disseminate information concerning the charter among the voters. They maintained an office and trained some forty or fifty speakers in addition to the members of the committee. Speakers for the charter were provided at meetings of civic organizations and political rallies wherever they were allowed. The board of supervisors coöperated with the commission in granting funds to print and distribute copies of the charter, a formal technical summary of its provisions, a short informal summary for the voters, together with other informatory literature. There appeared in the forty-six newspapers throughout the county, both daily and weekly, editorials and news items in support of the charter, although a few papers opposed it. There were distributed between 500,000 and 600,000 pieces of literature. In most cases, this was done at meetings and from house to house and also at all railroad stations so as to contact the commuters who never attend local meetings or read local newspapers.

A citizen of Long Beach, one of the two cities of the county, brought an action in the Supreme Court during the campaign, endeavoring to prevent a popular vote on the charter on the ground of its unconstitutionality. The commission was allowed to intervene on behalf of the board of elections and successfully defended the act in the lower and in the highest court of the state. It is an odd circumstance that Long Beach where the greatest opposition was expected and whose citizens were instrumental in bringing the litigation actually gave the charter a majority on election day—November 3, 1936.

Despite all we could do to educate the people there were more than 40 per cent of them who voted for President of the United States and congressman in Nassau County who failed to vote on the charter. The charter, however, received as large a percentage of votes as did the prevailing Republican candidates, all of whom were uniformly successful.

Elections under the new charter will be held in November 1937, and the charter will become operative January 1, 1938.

NEBRASKA'S LEGISLATURE

(Continued from Page 81)

a majority in four of the five districts, yet in every case one of the members nominated and elected is a Democrat. The committee is composed of seven Democrats and four Republicans, yet it gave 63 of the 124 committee positions to Republicans. The chairman of five important standing committees, contrary to partisan usage, affiliate with the party of a minority of the committee's members.

Is any further evidence needed to show that partisanship, in the matter of organization at least where it has usually shown itself at its worst, was laid on the shelf?

The City Manager Steps Into An Emergency

Cincinnati's able manager meets flood catastrophe with well geared machinery and carefully chosen personnel

HENRY G. HODGES *University of Cincinnati*

THE official weather bureau "flood stage" at Cincinnati is fifty-two feet. During the recent rise of the Ohio River, however, the city was not alarmed until January 18, when a river stage of fifty-four feet caused the newspapers to report, "Ohio River is Rising Again." This is nothing new for the Ohio, but it was the wrong time of the year, in the first place, and in the second, it was to reach an all-time high of 79.99 feet, at 6:00 A.M. on Tuesday, January 26. The story behind the disaster is naturally the rising water level:

RIVER STAGES AT NOON

January 18—54.0 feet
" 19—57.4 "
" 20—59.4 "
" 21—63.5 "
" 22—70.4 "
" 23—72.7 "
" 24—74.1 "
" 25—79.3 "
" 26—79.8 "
" 27—79.4 "
" 28—78.6 "
" 29—77.4 "
" 30—75.8 "
" 31—73.7 "
February 1—70.9 "

The former record of 71.1 feet, made in 1884, was passed three days before the recent peak was reached. The high mark in the serious flood of 1913 was 69.9 feet.

The superintendent of water guaranteed service up to 74 feet, and the local electric company about the same. It is perfectly clear, therefore, that in locating the present water-pumping facilities and electric generating plants, those responsible had good reasons to feel that these utilities would remain well above the highest flood stage. During the twenty-four hour interval between noon on the 24th and the 25th, when the rise was over five feet, both utilities ceased to function. The water works remained in operation a foot and a half above its promise, and the electric company still another foot, by banking with sand bags. With six days' warning, city hall was on an emergency basis Sunday morning, January 24, some hours before these services were discontinued. From then on, public service was on a twenty-four-hour basis.

There are several factors that kept anything like panic far from Cincinnati in this emergency. *First:* we have had floods before. *Second:* the Red Cross is continuously on the job as an emergency organization, with experience in expanding, coördinating, and getting supplies. *Third:* article III, section I of the Cincinnati charter provides: "In time of public danger or emergency, he [the mayor] may, with the consent of council, take command of the police, maintain order, and enforce the law." *Fourth:* the department of safety and the municipal reference bureau finished, some ten days before the flood, an emergency code for Cincinnati, for presentation to council. The discussions necessary to the completion of this work, with the city manager and others interested, crystallized the best thought that experience had developed. Although the prospective code is lying in the law department preparatory to going to council, the benefit of its preparation has been apparent. *Fifth:* the type of personnel all down the line in the city's service, its everyday coöperation in action, and most important, the daily accepted coördination under the city manager, allows for the very rapid expansion and continued smooth running of the governmental machine.

City Manager C. A. Dykstra moved his headquarters to the public safety department, where a number of emergency telephone trunk lines were installed.

On Sunday, two days before the high-water day, Mayor Wilson appointed a central disaster relief committee of fourteen members, of which the city manager was made chairman. This committee included the chairman of the Red Cross, director of safety, director of the community chest, a city councilman, a county commissioner, and representatives of industry, fuel, food, light and power, street transportation, railroad transportation, business, and the medical profession. On Monday at a special session city council, under the section of the charter already quoted, granted practically dictatorial powers to the mayor, who immediately assigned the administration of these powers to the city manager. The administrative set-up to cope with the emergency was complete. The organization itself had been functioning for two days. A corps of well informed city hall employees was answering the thousands of questions pouring in over telephone lines into the manager's office. Their replies were based on official bulletins and information that was centering in the same office. All bulletins were simultaneously given to the newspapers and the radio in order to keep down pressure on the phone service.

Warned by radio that discontinuance of water supply was imminent, citizens were enabled to store in bath tubs and other receptacles. The following day water was rationed by limiting the flow to two hours in the morning and two in the evening. Later, it was limited to an hour each evening. Lights were available in a large part of the city, with a limit of one to a family in addition to radio connection. Heat that depended on the water supply or electricity had to be discontinued in some instances.

ELECTRICITY BORROWED

Before the local electric company's generation was shut off, arrangements had been made to import current from outlying cities, sufficient to supply about 20% of the normal load. At the same time arrangements were being made by telephone with cities in Ohio, Indiana, and Illinois, for sending water on motor tank wagons. Portable tanks were gathered from other cities to supplement the local supply, and very soon water stations were set up at school houses and other points about the city. At no time was there a shortage of water for drinking or cooking purposes. Use of water for bathing, laundry, and industrial purposes was prohibited. Bulletins requiring boiling were posted on all portable tanks as well as announced by newspaper and radio. Many industrial plants and neighboring cities contributed river or well water.

It was plainly evident that there had been a rush for food on Sunday and Monday, the days before the water level peak. Whatever momentary shortage existed was caused by the filled shelves in many homes. The food committee made immediate arrangements to keep open truck transportation lines, and within two days it was necessary to broadcast a bulletin to the effect that no food should be sent to Cincinnati unless ordered. Whatever profiteering existed was of extremely short duration, and principally in candles after it became known that the light plant was out of commission.

TRANSPORTATION PROBLEM

All trolley transportation was suspended on Sunday when it became necessary to import electric current. Gasoline buses were rerouted so as to take care of the situation. With the adoption of the "Sunday holiday" schedule for business and industry on order of the city manager, there was only a fraction of the usual daily transportation. Store, office, and industrial employees were requested to remain at home unless they were engaged in emergency work. Auto transportation in the affected area was restricted to cars bearing "official emergency" stickers, and these had to be obtained at city hall. The order did not apply to trucks.

Railroad transportation was considerably crippled. Although several lines could enter the union terminal, passenger exit to the down-town section was blocked by high water, causing such traffic to be routed to suburban stations. Freight transportation was badly crippled, but these needs were amply met by the substitution of truck transportation, for which outside aid was secured.

The fuel situation was also covered officially so that there was no profiteering and no shortage. With railroad transportation greatly decreased, there was a lessened supply. On the other hand, cessation of most of the industries lessened the demand, so that there has been ample supply for all necessary purposes. The same is true with gasoline. There has been no rationing of either fuel or gasoline supplies.

Relief had been well worked out in advance, chiefly under supervision of the Red Cross, with the city coöperating in the rescue work. The location, number and condition of small boats were known in advance. In fact, small boats were at the water's edge when the river started its inundation, ready to take out persons in the usually flooded sections. Police were largely relieved of traffic duty by the National Guard. Emergency shelter, food, and clothing were provided by the Red Cross at stations used in the past, and in part from supplies on hand.

Disease is a factor that demands serious attention. The city's health service, in coöperation with other agencies, was ready with ample supplies and quickly secured the needed personnel. Stations for this type of work were established in all parts of the city and supplies distributed from city hall. Health warnings of various kinds, approved by the city manager, went out from the department, by bulletin, newspaper, and radio. The January death record—including the thirtieth—is clear evidence of the fact that the city's health has not so far suffered from flood conditions. January 1937 shows 117 more deaths than January 1936. But of these, all but sixteen are accounted for by the increase in deaths by pneumonia, all of which occurred before the flood peak.

Due to the water shortage the fire hazard was, and still is, considerable. From the 24th, when the regular supplies of water and electricity were discontinued, until noon on the 31st, there were 137 fire "runs." Most of these were still alarms, and all but a very few were fought with chemicals. There were three large fires, of which only one was very serious, viz., the Standard Oil fire, where the loss was estimated at a million and a half. One apartment house fire, high on the bluffs, was conquered by a relay of pumpers extending from the flood waters below.

CAREER MEN PROVE THEIR WORTH

It must be said that the value of technical skill and experience in the rank and file, and especially among the officers of both the fire and police departments, is conspicuously noted during an emergency. All of the men in both departments, from and including the chiefs, entered and rose in the ranks through civil service. The officers know what they are doing and their men have confidence in them. The same thing is true all through the city's service in Cincinnati. Only the directors of departments are "hand-picked," and the hand (manager's) that picks them is also skilled in the service, with no idea of political values.

There is only one other need, from an administrative standpoint, and that is coördination. No emergency ever had it to a greater degree than Cincinnati has it at the present time. There is, for all practical purposes, no phase of living within the city which cannot be covered by an order of the city manager. When this blanket authority was given to the mayor by city council, and by him delegated to the city manager with the knowledge and consent of council, power was added to the authority by providing a $500 fine or imprisonment for violation of any order that might be issued under that authority.

It would seem, in conclusion, that the centralization of administrative authority and responsibility, provided for in the city manager plan, has been enlarged, temporarily, to include the legislative function. It must be understood, however, that council can meet at any time and rescind its former action. The power was specifically granted "during the emergency." In view of the fact that the enlarged powers were granted unanimously, and with very little discussion, it may be fairly inferred that the people's representatives in Cincinnati recognize the validity of the administrative principle involved when effective results are the prime consideration. The writer was present at the special meeting of city council held in the mayor's office. The prospective "dictator" was not present, and no persuasion was used.

It is more likely, however, that the new principles being evolved are really democratic rather than dictatorial. It has not been uncommon in past emergencies for the people to brush aside the political organizations in control at city hall, and set up, in their place, citizen

(Continued on Page 105)

Cincinnati's Trouble Expert.—Disasters are getting to be routine in the life of City Manager Dykstra of Cincinnati. Taking over his job in 1931, he inherited along with everybody else in the country the biggest economic hurricane in the history of the United States. Out of that unprecedented depression Cincinnati has emerged with a marvelous record. It is rather sad to think that a visitation of nature now comes along to spoil Cincinnati's fine ledger figures.

But, on the other hand, the flood is also an opportunity. Cincinnati's city manager demonstrated his eminent fitness in a long economic illness and may now give the country a demonstration of how to handle an emergency. A particularly fanciful person might almost believe that the malign powers failed to get Mr. Dykstra's number in five years of business collapse, and have now tried to see what they could do with flood and fire. By that theory Pittsburgh, Louisville, and Evansville would be innocent bystanders. From the *New York Times,* January 27, 1937.

RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmsted

Connecticut Reorganization Commission Reports.—A complete reorganization of the administrative division of the state of Connecticut was proposed by the Reorganization Commission in its report to Governor Cross on January 25. Among its recommendations, as reported in the New York *Times* of January 26, are the following: (1) The establishment of a legislative council to engage continuously in study, research, and planning with respect to problems of legislation; (2) The establishment of an executive budget; (3) The adoption of a merit system of personnel; (4) The adoption of a system of centralized purchasing; (5) The establishment of a governor's cabinet; (6) The strengthening of the governor's powers to remove executive officers from office; and (7) The making of adequate independent audits of all state accounts at least once annually.

The commission also proposed several constitutional amendments needed to make some of its suggested changes possible. One of these would provide for the election of the governor for a four-year term in even-numbered years; another would provide for the appointment, rather than election, of the controller, treasurer, secretary of state, and attorney general.

*

State Manager Proposed in Ohio.—A non-political state administrator has been recommended for Ohio by Mr. Tullie V. Taylor, the chairman of Governor Martin L. Davey's "action committee" of three members. According to press reports of January 18, Mr. Taylor urges passage of a constitutional amendment containing this provision, among others:

"That the state elect or appoint a board of seven, with rotating memberships, which will select the administrator and advise on general administrative policies; the state administrator to serve at the pleasure of the board, subject only to age, capability, and good behavior."

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California's New Home Rule Charter Procedure.—The constitutional amendment changing the existing procedure for the proposal and adoption of home rule charters for cities and counties in California was approved at the general election in November. Under the new provision, ballots must contain the question, "Shall a board of freeholders be elected to frame a proposed new charter?" along with the names of freeholder candidates. The question must carry by a majority vote before the freeholders are deemed elected. An alternative method of framing a charter is provided; the city council or board of supervisors may draw up a charter or cause one to be framed and submitted to the electors.

Victoria Schuck

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Direct Legislation in 1936.—A tabulation recently published by the National Association of Secretaries of State and the Council of State Governments indicates an unusual degree of approval of legislative measures submitted to popular vote. The people of thirty-nine states, asked to give their voting opinion on a total of 180 measures, approved over 50 per cent of the proposals in the form of constitutional amendments, initiated and referred statutes. The subjects ranged from courts and crime to education, social security, and taxation. A total of twenty-seven measures in ten states were on taxation alone.

Eighty-eight of the 148 constitutional amendments submitted found favor with their electorates. Eight of the eighteen initiated measures were approved. Only three of the fourteen referenda were approved.

Comparison with previous years shows that the number of constitutional amendments submitted and the proportion approved by voters in 1936 was noticeably high. In 1935 over half the amendments proposed were approved, but the total number submitted was only forty. In 1934 seventeen states utilized direct legislation, gaining approval on a total of twenty-seven amendments. Figures for previous years show that in 1933 ten states submitted constitutional amendments; in 1932, twenty-three; in 1931, six; in 1930, twenty-one; in 1929, five; in 1928, eighteen; and in 1927, eight.

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Public Libraries Seek State Aid.—Financial assistance by the state in order to improve and expand activities of public library systems will be sought in at least twelve states in 1937, according to reports made to the American Library Association at its recent midwinter conference in Chicago. In these states—Arkansas, Idaho, Illinois, Indiana, North Carolina, Ohio, Tennessee, Texas, Washington, Michigan, Vermont, and West Virginia—grants are asked for purposes ranging from extension of work of the state library to organization of a complete system of regional libraries.

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State and Municipal Employees and Social Security.—The problem of the 2,400,000 state and local governmental employees who are exempted from the provisions of the federal-state social security program will be studied by a special committee appointed by the American Municipal Association in response to a widespread demand that the federal social security act be amended if possible to include the governmental employees.

There are constitutional questions as to whether such groups can be included, and whether the federal government can enforce a levy of payments from either state or local governments for the purpose of social security benefits.

Among possible alternatives which the committee will consider is enactment of optional laws by which each state separately may provide for public employees within its borders. Whether the states can impose taxes equal to the federal tax for social security measures upon its political subdivisions, which, in turn, would be paid to the federal government for annuities, and whether a city can voluntarily pay into the federal fund an amount equal to the federal tax and require its employees to contribute a corresponding amount will be among other questions examined.

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Merit System Proposals.—An appropriation to revive the dormant Kansas Civil Service Commission was recently urged by the Kansas Chamber of Commerce, as part of its legislative program, in the following language:

"The Kansas Chamber of Commerce recommends that the legislature take steps to make civil service operative in Kansas. There is an existing law. It has been inoperative, partly for lack of appropriation and partly because of defective administrative provisions. It should be amended and appropriations made."

An aggressive campaign to secure merit system legislation in the 1937 session of the Pennsylvania legislature was launched some time ago by the Pennsylvania Federation for the Merit System. The federation, which was started early in 1936, is composed of seventeen state-wide civic and professional organizations, each of which is pledged to support the campaign.

Support of the merit system for the New Mexico Public Welfare Department has been announced by Clyde Tingley, re-elected governor. New Mexico may follow the lead of Indiana in the placing of the unemployment compensation commission and the welfare department under a merit system, to be administered by a joint agency.

A national "civil service" for federal judgeships is under consideration by administration leaders, according to Senator James Hamilton Lewis of Illinois, who is quoted in the Chicago *Daily News* as saying, "The difficulty is not in the choice of men; it is a much larger question. It is this: Shall we now adopt a policy of promoting district judges to the Appeals Court, and appellate judges to the Supreme Court? Those who are urging a new policy, with some of the attributes of civil service, say a decision must be made now because of one extraordinary circumstance: that is, the fact that there are now vacancies on the federal bench in seven large states."

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Progress of the Manager Plan.— According to a bulletin recently issued by the International City Managers' Association, the manager plan is now in use in 459 cities, of which 444—as well as seven counties—are in this country. Nineteen cities and one county adopted the plan during 1935 and 1936. Sixteen of these cities range in population from one to nearly twenty-five thousand; three have a population of more than fifty thousand; and the one county, Monroe County, New York, has a population of 423,-881. Only one city—Stevens Point, Wisconsin (13,623)—abandoned the plan by vote of the people during 1936.

Nearly one city in every five of those over ten thousand population in the United States is operating under council-manager government. Thirty-six states have manager cities. Michigan leads with forty-six; Virginia, with three manager counties, has thirty-eight cities; Texas and Florida thirty-seven each; other states show from one to thirty-three.

Chicago Continues Its Manager Efforts.— A new series of public meetings, organized by the Chicago City Manager Committee as part of its drive to establish the city manager plan in that city, was announced in January as Professor A. R. Hatton of Northwestern University concluded a schedule of five luncheon discussions begun two months ago. The new series consists of four forum discussions in Thorne Hall on Northwestern University's downtown campus. Corporation Counsel Barnet Hodes, Alderman Jacob M. Arvey, chairman of the city council finance committee, and Alderman John A. Massen, chairman of the committee on traffic and safety have been invited to speak, as well as William Hale Thompson, former mayor. More definitely scheduled speakers include John O. Rees, director of the Citizens' Committee on Public Expenditures; Douglas Sutherland, executive secretary of the Chicago Civic Federation; George O. Fairweather, assistant business manager, and Professors Charles H. Judd and Herbert Dougall, of the University of Chicago; and Benjamin M. Becker, chairman of the men's division of the City Manager Committee.

At a forum meeting of the Chicago City Club in January, five speakers presented various aspects of the movement. A bill to be introduced in the legislature was described. This would extend to all cities and villages the right to adopt the city manager plan, now restricted to villages under five thousand population. The bill provides for local referenda upon petition of one per cent of the voters. It calls for a council of five in cities and villages of less than 50,000 population, of seven in cities and villages of 50,000 to 500,000, and of nine in cities over 500,000, to be elected at large. Election by proportional representation is made optional.

The city council of Evanston, adjoining Chicago on the north, has had a proposal presented to it by Alderman T. G. Lowry to approximate the city manager plan, under existing statutory restrictions, by enlarging the responsibilities of the commissioner of public works, appointed by the mayor with the approval of council. The mayoralty would become chiefly an honorary post. The proposal was submitted to the judiciary and finance committee to report some time prior to adoption of the 1937 budget.

Other Manager Developments.—Coronado, California (5,425), by the narrow margin of 57 votes out of a total of 1,015, defeated a proposed manager plan charter on January 19.

Hamilton County, Tennessee, is working on a county-manager bill which is to be introduced in the present session of the Tennessee legislature. The Nebraska county manager enabling act, declared unconstitutional by the state supreme court, is being redrafted for resubmission to the legislature this year.

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New York City Hall News on the Radio. —The Citizens' Union of the City of New York on January 2 inaugurated a new radio feature, "The Week at City Hall," to continue on Saturdays from 5:30 to 5:45 over radio station WHN. It is conducted by Miss Margaret Tanzer, assistant secretary of the union, with the purpose of relating the facts behind the news at city hall and discussing the personalities that make the news. Guest speakers from all parties and factions will be invited to discuss important issues that come up during the year.

"Federal-City News" Established.—The United States Conference of Mayors began on January 9 the publication of another news bulletin, which will deal with news in the field of the relationship of municipalities and the federal government. The first issue, of eight letter-size photoprint pages, dealt with interest and freight rates affecting cities, federal highway funds, housing, WPA, collusion in bids, etc.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Montana—*Legislative Proposals.*—The legislature convened Monday, January 4, and the first bill presented in the house was a measure to exempt from taxation all real estate used as residence, either farm or city, up to $2500 assessed valuation. This measure, if passed, would be of far reaching importance to local governments, it being estimated that in some counties the taxable valuation would be reduced from 40 to 60 per cent. In the case of many cities, it is estimated that the taxable valuation would be reduced from 40 to 75 per cent; in the case of approximately one thousand school districts, or about one-half the total number in the state, the taxable valuation would be reduced 75 per cent.

Other proposals which seem likely to be introduced in the form of bills are: (1) Returning 50 per cent of all auto license fees collected within municipal boundaries to the municipalities; (2) extending for at least another year the law which would make it possible to pay up delinquent taxes without penalty and interest; (3) organization of the county superintendent's office on a nonpartisan basis and for four-year terms (county superintendents are elected at present by popular vote for two-year terms); (4) a property replacement tax for the state public school general fund to provide for 50 per cent of the cost of education, distributed on a teacher-pupil basis (said property replacement tax to relieve local school districts of a considerable portion of the burden of supporting schools); (5) a reorganization of the school administrative units which would greatly increase the size of present units and reduce the number from about 2100 to 400.

R. R. Renne

Montana State College

Pennsylvania—*Another Attack on Fee System.*—The constitution of 1874 attempted to put an end in counties of 150,000 inhabitants to the pocketing of fees collected by county officers for services performed for the counties. But the courts, construing the constitutional provision strictly, have held that it does not prevent the state from designating a county officer as its agent to perform services for the state and from paying for these services with fees or commissions which the officers may keep for themselves. In *Philadelphia County v. Sheehan* (263 Pa. 449, 1919), the Supreme Court held that the legislature could not require that inheritance-tax commissions of registers of wills be paid into the county treasuries in a single class of counties. It appears that for collecting state inheritance taxes the register of wills was allowed commissions of about $37,600 in 1931, $28,400 in 1932, and $21,000 in 1933. In the city-county consolidation amendment approved by the 1935 legislature there is a provision making mandatory the payment of all such fees into the Philadelphia treasury regardless of what is done with them in other counties.

Adapted from *Citizens' Business*
Philadelphia Bureau of Municipal Research

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Kansas—*A Demand for County Reorganization.*—There is a strong movement for the county manager plan of government for Sedgwick County (Wichita) and for enabling legislation which will permit county consolidation or county reorganization in other counties of the state. Sedgwick County has a population of 140,000 with about 120,000 of the total living in Wichita. This city has had the manager form of government since 1917 and its citizens would now like to see a similar form established for the county.

The Board of Directors of the Kansas State Chamber of Commerce recently adopted a resolution favoring legislation which would permit those counties which so desired to simplify their governmental machinery. It opposes mandatory legislation but it favors legislation authorizing the abolition of townships, the consolidation of counties, the consolidation of city and county governments, the joint operation of governmental functions by two or more counties, the consolidation of departments, the adoption of the county manager plan, or other steps in the interest of efficiency and economy.

Benjamin G. Hegler

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California — *City-County Consolidation Amendment Defeated.*—Contrary to first reports and contrary to the item appearing in the December issue of the Review the proposed amendment to allow any county having one or more incorporated cities within its boundaries to adopt a consolidated city and county government regardless of population was defeated. Thus the 200,000 population requirement for counties for consolidation remains in force.

Victoria Schuck
Stanford University

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Tennessee—*Attacks the J. P. Courts*—Reform of the fee-grabbing justice of the peace courts is a perennial, or at least a biennial, issue in Tennessee. A state-wide bill on the subject failed of enactment in the 1935 legislature, but private acts substituted salaried judges for the fee-supported justices in Johnson City and in the counties of Hamilton and Unicoi. Legal attacks were launched against the new courts thus established, and all three of the acts were held unconstitutional by the Tennessee Supreme Court in February 1936.[1]

The court's decisions, however, were not of such a nature as to discourage further attempts at reform. Two of the acts were held defective because of a limitation on the right of jury trial, and in the third case the objection was to the title of the act. The encouraging feature was the definite indication by the court that properly drafted acts of this nature would not be disapproved. It was held that the jurisdiction of justices of the peace is statutory, and that no constitutional rights are impaired by a transfer of their jurisdiction to special courts, even if the act affects only a particular county, and is not on a state-wide basis.

Encouraged by this decision, the bar associations of a number of counties have drawn up bills providing for replacement of justice of the peace courts in their counties by courts of general sessions, with judges and other officers on a salary basis. Davidson County, containing the city of Nashville, is the first to secure adoption of a private act of this character in the 1937 legislature. The act, as passed on January 11, 1937, provides for three courts of general sessions, with the first judges to be appointed by the governor, and subsequently to be elected. The three judges, with salaries of $4,000, will assume substantially the same jurisdiction as is now exercised by the justices of the peace.

At least three other counties, Knox, Hamilton, and Montgomery, are preparing to seek the enactment of legislation along the same lines. The Knox County bill proposes to replace the sixteen to twenty justice courts with a two-judge court of general sessions. It is interesting to note that the Knox County justices, sitting as the quarterly court, recently voted an appropriation of $2,000 to pay the expenses of the Knox County delegation to the legislature. This action, generally interpreted as an attempt to "induce" the representatives to oppose the anti-J. P. bill, has been halted by an injunction.

C. Herman Pritchett
Tennessee Valley Authority

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Texas—*Retirement System for Public Officials.*—At the general election in November the voters of Texas approved two constitutional amendments of significance to counties in this state.

One of these grants power to the legislature "to levy taxes to provide a retirement fund for persons employed in public schools, colleges, and universities, supported wholly or partly by the state." This amendment provides that the state shall contribute a sum equal to the amount paid into the fund by each individual, but the state's share cannot exceed at any time 5 per cent of the compensation paid to such individual by the state and/or school district, and is limited further to an annual amount not to exceed $180 for each individual covered by the amendment. Under the provisions of this amendment, no person "who has not taught twenty years in the state of Texas" is eligible to receive a "pension," but those ineligible because of this limitation are entitled to a refund of the money which they have paid into the fund. The usual stipulation for the investment of moneys paid into the fund is made. A poorly worded proviso states "that the recipients of such retirement fund shall not be eligible for any other pension retirement funds or direct aid from the state of Texas, unless such retirement fund, contributed by the state, is released to the state of Texas as a condition to receiving such other pension aid."

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[1] *Gouge* v. *McInturff, Ward* v. *Murrell, Spurgeon* v. *Worley,* 90 S.W. (2d) 753, 945, 948.

Urban Counties to be Under-Represented.—Illustrative of the century-old contest between rural and urban areas for dominance in state legislatures is an amendment, approved at the same election, which seeks to restrict the representation of "urban counties" in the house of representatives. The constitution provides that the membership of the house, which now has reached its constitutional maximum of 150 members, shall be apportioned among the counties on the basis of population, according to the last United States census, and "for any surplus of population" a county "may be joined in a representative district with any other contiguous county or counties." Although the legislature is constitutionally obligated, "at its first session after the publication of each United States decennial census," to apportion the state into representative districts upon the bases mentioned, no reapportionment has been made since 1921, when the population of Texas was 4,663,228. In 1930 the population had increased to 5,824,715, or an average of 38,831 persons to each member of the house. The extent of discrimination against the principal urban counties, under the present apportionment, may be seen from the following table:

Representatives from the rural areas, evidently fearful of a long-delayed reapportionment, obtained legislative approval in the regular session of 1935 of a constitutional amendment which limits the representation of any county to not more than seven members, unless the population of such county, according to the most recent United States census, exceeds 700,000 people. An additional representative for each 100,000 population in excess of 700,000 is allowed. This amendment was adopted in November by a vote of 344,173 to 238,879. Most surprising was the vote of the four "urban counties" on this amendment. Bexar County (19,418 to 17,391) and Harris County (30,662 to 23,918) voted against this amendment; but the voters of Dallas County (15,362 to 14,875) and of Tarrant County (17,882 to 8,660) approved this restriction of representation. The total vote in these counties was 74,553 to 73,615 in favor of the amendment. This political self-denial upon the part of the voters in these counties may be explained partially by the fact that there was very little intelligent discussion throughout the state of the real import of the amendment.

Abolition of Fee System Resisted.—The salary law, passed by the legislature in November 1935, to effectuate a constitutional amendment which abolished the fee system as a method of compensating all district officers and county officers in counties of a certain population, and gave to the commissioners' courts authority to determine the method of compensation of precinct officers (see

County (city)	Population, 1920 County (city)	Population 1930 County (city)	Number of House Members—Apportionment, 1921	Average population per member (1930) State average: 38,831	Number of members to which entitled under 1930 census
Bexar	202,096	292,533	5	58,506	7
(San Antonio)	(161,379)	(231,542)			
Dallas	210,551	325,691	5*	65,138	8
(Dallas)	(158,976)	(260,475)			
Harris	186,667	359,328	5	71,865	9
(Houston)	(138,276)	(292,352)			
Tarrant	152,800	197,553	4**	49,388	5
(Ft. Worth)	(106,482)	(163,447)			

*Dallas, Kaufman and Rockwell Counties elect a flotorial representative, not included in the number given.

**Tarrant and Denton Counties elect a flotorial representative, not included in the number given.

National Municipal Review, April 1936), has been attacked on the ground that it is "breaking the backs of counties" from a financial standpoint. It appears that county and precinct officers, through action of the commissioners' courts last January, generally were placed on the maximum salary basis allowed under the act. It is charged at the present time that the fees collected by many of these officials, now payable into the county treasury, are not sufficient to meet the salaries which they receive. A more likely reason for this situation, however, is a steady diminution in the aggressive attitude of officers formerly paid by fees but now on a salaried basis toward the collection of fees which are legally due for services rendered by these officials. Nevertheless, the Texas legislature, convening in regular biennial session this January, will again be called upon to face the perennial and difficult problem of compensation of local officials.

J. Alton Burdine

University of Texas

TAXATION AND FINANCE

Edited by Wade S. Smith

Governments Galore.—In a fine piece of social reporting Mr. George R. Leighton, in a recent issue of *Harper's Magazine,* tells the moving story of Shenandoah, Pennsylvania, "an anthracite town." At about the time that Mr. Leighton's story of Shenandoah was flowing through the linotype machines this reporter was in Shamokin, another anthracite town, concerned not so much with that community's genesis as with its present governmental status quo. And just as the story of Shenandoah is the story of an industry, so the structure of Shamokin as a governmental unit is typical, not of an anthracite town, nor of a Pennsylvania town, but of hundreds of American communities. So the story of Shamokin—with governments galore—will be briefly noted here.

Located in Northumberland County at the western end of the so-called Anthracite Trail, Shamokin shares with hundreds of sister cities throughout the country the burden of what are sometimes loosely called overlapping governments. Exclusive of the state of Pennsylvania and the county, no less than five separate and distinct tax levying instrumentalities exist to provide the functions of local government here. All have separate elective governing bodies, separate administrative units, even separate offices.

The area of this community of some forty thousand persons is bounded by the adjacent mountains, upon whose sides are the collieries and breakers and a goodly portion of the drab residences. On the valley floor is Shamokin Borough, with slightly less than half the population within its corporate boundaries. Surounding the borough, like the dough of the doughnut and containing the cream of the community's real resources, is Coal Township, indistinguishable in its innermost portion from the crowded development of the borough. A visitor can walk the length of the community's principal bisecting thoroughfares and without leaving the business section pass from the township through the borough and into the township again. Some idea of the effect of this corporate separation on the tax base of the borough is obvious from the fact that while Coal Township contains about 50 per cent of the coal valuations of the county with 40 per cent of the township's taxes paid by the collieries, the borough derives only a minute income from this source estimated at a few hundred dollars over the past five years. So, in addition to divided governmental responsibility for the community, one of the governmental units is so situated as to be virtually without the taxable resources characterizing the community as a whole.

Each of the units has its separate school district, each coterminous with the underlying municipality. And over the whole is thrown the Coal Township Poor District, embracing the township and borough together, and serving the whole community. There are thus one district, two municipalities, and two school districts—five units of local government, all for what is in size, area, and intensiveness of development a city in the layman's accepted use of the word.

The governmental characteristics resulting from this multiplicity of administrations are interesting. Governmental costs, it should be noted, are low. Debt imposes a very light burden indeed, for the community is old and its original improvement costs have long been amortized and taxpayers frown upon new bond issues. Operating costs are low too, so low, in fact, as to raise the question whether or not efficiency of performance is possible. But taxpayers are more concerned with a minimum basis of operations than expanding governmental services, so if Shamokin or the encircling township seem to fit Pope's epigram by doing as little as possible there is no one locally to complain. Separate tax levies are laid for nearly every function of each of the five units, and their rate has varied little over a period of years; the suit is pretty well cut to fit the cloth, credit is excellent, and there is little likelihood of any spending spree.

Nevertheless, local opinion makes some sharp distinctions between the units, there being a prevalent belief that the borough administration is superior in calibre of elective officers and conservatism of finances and management to any of the others. Borough residents are glad they do not have to support the more costly town government—which, incidentally, must provide the bulk of the roads and streets of the community. The school districts rank somewhat higher in local standing than their respective underlying units, but this is more a characteristic of American local government in general, since it is commonly considered that our school systems are freer from "politics" and have a more professionalized administration than the municipalities in which they are situated. The poor district seems to the outside observer to occupy a unique position in local opinion—its elective board of overseers being judged by the performance of the superintendent of the poor house, who is currently well regarded indeed.

Functionally, it cannot be said there is any duplication of services among the five units. Rather, each supplements the others to provide the basis of protection, public works, and educational facilities for the portion of the community falling to its jurisdiction. But that there is duplication of administrative effort is obvious. Discounting the two school districts, since commonly throughout the nation school administration is wholly separate from the rest of local government, there are three governing bodies, three "seats of government," three sets of administrative personnel. Merger of borough, township, and poor district is, as a practical matter, unlikely, since Shamokin is traditionally Republican politically and Coal Township Democratic, a political division remaining unruffled by the general reverses of local partisans in recent years. So multiplicity of units and division of administrative responsibility is likely to continue for some years in the community of greater Shamokin.

Simplification of local government means little in this anthracite town, either to its inhabitants or in terms of the rehabilitation of local governmental finances, since it can truthfully be said that the present working arrangement suffices, in a tolerable way, for the presently felt needs. But the division of what are essentially unified communities into downtown and outlying districts with separate governments is no novelty either in Pennsylvania or in the rest of the country; and for every Shamokin, marked by low and stabilized costs, there can be paired a community in the throes of expansion and mounting costs, where governmental simplification spells real cost savings. Some of these other much-governmented communities will be noted from time to time in this column in future issues of the REVIEW.

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A net debt reduction of $14,000,000 in the last five years is the record of Cincinnati, largest of the country's council-manager cities, City Manager Clarence A. Dykstra announced recently. The city closed 1936 with "substantial balances in all operating funds," Mr. Dykstra said.

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On January 5 Governor William Langer of North Dakota proclaimed a moratorium on all mortgage foreclosures. Tax titles held by the state's local units will be included in the ban.

*

Creation of a virtual $2,500 homestead exemption is contemplated by the first measure introduced in the forty-seventh Iowa general assembly. The bill would amend the present law relating to taxation of incomes and retail sales by allocating revenues first to the old-age assistance fund, then to the counties on the basis of credits for homestead real estate taxes exempted, and finally to the county school funds.

*

Newark, New Jersey, collected 58.3 per cent of its 1936 tax levy to mid-December, as compared with 55.1 per cent to the same date a year earlier, according to a recent announcement of the city comptroller. Current and back tax collections of $26,429,758 were 75.4 per cent of the year's levy, with a $1,900,000 personalty tax received a few days later under the city's drive to levy on personal property assessments omitted from the regular assessment roll.

*

Tax limitation measures in Massachusetts and New York are worrying local officials as the year's sessions of state legislatures get under way. Comprehensive educational campaigns are being waged pro and con in both states.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

Constitutionality Suit in New York.—The political forces in New York City which opposed the adoption of P. R. at the polls in November have commenced their expected attempt to deprive the people of their victory by court action. Assemblyman Edward S. Moran of Brooklyn, who tried unsuccessfully in the courts to keep the P. R. question off the ballot, has now brought an action in the name of Mrs. Loretta F. Johnson against Mayor La Guardia, the City of New York, the city clerk, and the board of elections to declare P. R. unconstitutional and restrain the officials named from taking any steps toward putting it into effect.

Although the highest court in the state, the Court of Appeals, heard arguments for and against the constitutionality of P. R. in the case of Mooney vs. Cohen (272 N. Y. 33) before election and declined to remove the question from the ballot on that ground, it did not say in so many words that P. R. is constitutional. The corporation counsel's office, which is representing the mayor and the city clerk in the case, will push it to the Court of Appeals for a final determination as speedily as possible.

In starting the suit Mr. Moran gave a statement to the newspapers which is typical of the lack of concern for the truth shown by many of the political enemies of P. R. in their continuing campaign against it. Mr. Moran says that in voting for P. R. the people were "misled by a few reformers" and proceeds to set them straight by such remarkable statements as the following:

"Of the many cities of the United States that have tried proportional representation, all but one have abandoned the system." Of course he could easily have verified the fact that it is now in use in Cincinnati, Toledo, Hamilton (Ohio), Wheeling, and Boulder (Colorado).

Because of the frequency of assertions that P. R. has proven unpopular where used, it may be well to review briefly the actual facts of the attempts to repeal it, which political adversaries of fair play in elections may always be counted on to make. One of the municipalities which had P. R., West Hartford, had P. R. taken away from it by action of the state legislature; and two, Kalamazoo and Sacramento, by the courts. The only American city that has ever discarded P. R. on a direct popular vote on that issue is Ashtabula, Ohio. Eight of the nine direct popular votes on proposed repeals of P. R. without other change in various American cities have sustained the system. Cleveland a few years

REFERENDA ON REPEAL OF P. R.

	SUCCESSFUL ATTACKS		ATTACKS REPULSED	
	ON P. R. ALONE	COMBINED WITH OTHER ISSUES	ON P. R. ALONE	COMBINED WITH OTHER ISSUES
Ashtabula	1	0	1	1
Boulder	0	0	1	2
Cleveland	0	1	2*	3*
Cincinnati	0	0	1	0
Hamilton	0	0	3	0
Toledo	0	0	0	1
	—	—	—	—
Totals	1	1	8	7

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*Three of these questions, two on repeal of the city manager plan and P. R. together and one on the repeal of P. R. alone, were defeated at the same election.

ago adopted a complete new charter in which P. R. was dropped, but subsequently gave a larger majority to a new county charter in which P. R. was included. Seven of the eight attempts in various American cities to adopt charter amendments which repealed P. R. along with other changes were repulsed. Hamilton and Boulder have each defeated three attacks on P. R. and Cincinnati and Toledo each one. Cleveland defeated the two attacks on P. R. in which other changes were not also included. All the referenda on attempts to repeal P. R. in American cities are summarized in the following table:

Mr. Moran continues that "all" of the American cities using P. R. "found that it does not give political parties minority representation as its proponents claim." Cleveland held five P. R. elections in each of four districts, making twenty separate P. R. elections in all. In every one of these twenty, nominees of both the Republican and the Democratic parties were elected. In every one of Cincinnati's six elections so far held candidates sponsored by each of the two major parties were elected.

"In all the elections racial and religious considerations predominated," says Mr. Moran. There is no single city in this country in which it could reasonably be claimed that such considerations played a major part in the election of a majority of the members of council at any of its P. R. elections.

Mr. Moran goes on: "All the cities that have tried it have found that the total vote fell off considerably after the first election." Both Cleveland and Cincinnati polled the largest numbers of valid votes ever cast in their municipal elections up to that time in P. R. elections later than the first.

*

P. R. Urged for New York Counties.—Senator Thomas C. Desmond and Assemblyman Lee B. Mailler, both Orange County Republicans, have reintroduced with few changes their comprehensive optional county government bill which passed the New York State senate unanimously at last year's session. This bill makes available by petition and popular vote for all counties outside New York City four alternative improved forms of county government, with numerous optional variations and a choice of election methods in connection with each form. One of the election alternatives is proportional representation for a small county board of supervisors (not including the town supervisors ex officio as at present). In a county adopting P. R. other county officers which remained elective would be elected by the corresponding Hare system of majority preferential voting. P. R. would normally be applied to the county at large, but in case the county contained a city with more than a quarter of the county's population that city and the rest of the county could be made separate districts.

The Desmond-Mailler bill was one of three bills to carry out the mandate of the county home rule amendment of 1935 which passed the senate last year, but only the least comprehensive of the three passed the assembly and became law. In his opening message to the legislature this year Governor Lehman expressed the hope that the more comprehensive bills would pass at this session. With a much closer division than last year in the assembly, the solid Democratic support which they received last year together with two or three votes from Senator Desmond's and Assemblyman Mailler's own party would be sufficient to pass them.

Optional P. R. for counties and other units of local government has the support of civic groups in all parts of the state, in line with the recommendation of the state conference on legislation at Schenectady sponsored by the state committee of the National Municipal League last summer.

Two counties have recently shown particular interest. A special plan of county government for Westchester County, based in general on recommendations of the county charter commission of last year, was made public on January 15 by the County Federation of Women's Clubs, the League of Women Voters, and the County Taxpayers Association. The plan includes a legislative body of ten members elected by P. R. from the county at large, or two each from five districts (in which case there would be little scope for variety of representation in each district). The county board of supervisors is asked to approve the plan and ask the legislature to make it available by means of a special law.

In Schenectady County the board of supervisors has appointed a special citizens' committee of twenty-one to work out recommendations on the form of county government, and the Charter League, which sponsored the recent adoption of the city manager plan in the city of Schenectady, is urging a referendum on the adoption of P. R. for county supervisors. The Charter League is also considering drafting a special county reorganization bill to meet the exact needs of Schenectady County.

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P. R. Bills in the Massachusetts Legislature.— The P. R. bills which attracted considerable interest in the Massachusetts legislature last year have been introduced again with a few changes. Representative Christian A. Herter of Boston, who is majority leader in the lower house this year, has combined in one his two bills which were reported favorably but defeated on the floor of the house last year. The new bill makes P. R. for councils and school committees optional by petition and popular vote for Boston and for other cities and towns throughout the state. Mr. Herter was a member of the charter commission which recommended in 1934 that P. R. be made available for Boston. In a circular letter announcing that he would reintroduce the bills he made an effective reproduction of three pages of the illustrated "P. R. Primer" published by the Women's City Club of New York City for the recent New York campaign.

The other P. R. bill was introduced again with some changes by Representative Rufus H. Bond of Medford on petition of John H. Chipman and others. It provides a new optional plan of government for Massachusetts cities, the city manager plan with a city council of seven or nine members elected by P. R. at large, and a school committee consisting of the mayor (president of the council) and six members elected at large by P. R.

*

Saskatoon Returns to P. R.— Saskatoon, Saskatchewan, is one of the several cities of western Canada which a number of years ago adopted P. R. and later discarded it, partly because of insufficient educational work but primarily because, under existing local conditions, improved election methods were less needed than in our great metropolitan cities and did not make such striking changes as to make their benefits obvious to the casual observer. Winnepeg, Calgary, and two smaller municipalities have continued to use P. R., Winnepeg since 1920 and Calgary since 1917, and Manitoba and Alberta use it for provincial elections in the larger cities, but there has been no extension of P. R. in Canada in recent years.

Saskatoon adopted P. R. in 1920, defeated an attempt to repeal it in 1923, and finally voted it out in 1926. Now comes word that a plebiscite was taken at the Saskatoon municipal election in November, at which the city voted to return to P. R. with the single transferable vote by a majority of 1234. A definite by-law will now be drawn up and submitted for approval. The educational program which preceded the plebiscite will be continued and extended. We are indebted for this information to W. J. Smith, president of the Saskatoon Electoral Reform Group.

*

Mary H. Ingham.—The P. R. movement lost one of its most devoted and helpful friends through the death on New Year's Day of Miss Mary H. Ingham of Philadelphia. Although seventy years of age, Miss Ingham continued until a few months ago as one of the most active and tireless leaders of the forces working for state constitutional revision and city charter reforms in Pennsylvania and Philadelphia. She was the volunteer secretary and moving spirit of the Philadelphia Conference on City Government, which for several years brought leading speakers from Cincinnati and other cities to Philadelphia under joint auspices of a large number of civic organizations and conducted well publicized discussions on P. R., the city manager plan, city-county consolidation and other proposed improvements in relation to the major problems of Philadelphia's city government. An ardent worker for suffrage in earlier days, she became more and more convinced that the suffrage victory would never be complete until the votes of all citizens were made effective through proportional representation. The many who have had the privilege of working with Miss Ingham will regret that she did not live to see the full fruit of her efforts in her own city and state.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

NEW RESEARCH BUREAUS

Bureau of Municipal Research of the Newark (New Jersey) Chamber of Commerce.— The Newark Chamber has decided to organize a governmental research program. Loren Miller, until recently the assistant director of the Municipal Finance Officers' Association of the United States and Canada, has been appointed director of the new bureau. Mr. Miller has served on the staffs of the Detroit Bureau of Governmental Research, the Citizens Advisory Finance Committee of Newark, and the Municipal Service Department of Dun and Bradstreet.

Flint Institute of Research and Planning.—This organization is now being set up by the Flint Community Association, the Chamber of Commerce, and the Community Fund. The Institute has been given a broad scope in the prospectus recently issued. Governmental research or research in public administration will be an important part of the Institute's program.

Department of Planning and Research of the Montreal Metropolitan Commission.— The Montreal Metropolitan Commission is an official body founded in 1921. The Department of Planning and Research has recently been set up by the Commission. Plans are being made for developing a program of research in many different governmental problems, including problems of public administration.

Marshall College.—This state-supported institution in Huntington, West Virginia, has established a municipal research bureau under the direction of Professor Paul K. Walp, head of the political science department.

Indiana University.—A bureau of governmental research was recently set up under the direction of P. S. Sikes.

Louisiana State University.— Professor R. S. Carleton of the political science department is the director of a newly established bureau of governmental research.

*

The Buffalo Municipal Research Bureau.—In its work, the Bureau covers both the city of Buffalo and the general government of the county of Erie, New York. The Bureau initiated local interest in county reorganization in a series of pamphlets entitled "Erie County Governments" in 1932, and has been a leading factor in its development both in the county and to a degree in the state. The adoption in 1935 of a constitutional amendment whereby alternative forms of county government could be provided by the legislature, and the subsequent enactment of the so-called Fearon bill, now open the way for a reorganization of the governmental system in all counties in the state. The board of supervisors here has appointed a committee to recommend a plan, under this law, for submission to a referendum in November 1937. While it is not probable that any extreme features will be included, a start will be made, if the referendum approves, by providing for a county executive and reorganizing all the general county departments under him.

The Bureau's report, "City of Buffalo Financing in the Depression," supplied a need for taking stock of the city's finances, which was appreciated both by taxpayers and by prominent bond houses, if one may judge from the orders for copies from New York City and elsewhere. The report showed that Buffalo had maintained its rather low tax rate and expense account, though at a somewhat heavy cost in bond issues.

Upon request of the director of the budget the bureau has prepared a financial program for the city covering the next five years, the chief features of which are the maintenance of a stabilized tax rate, a gradual reduction of the bonded debt, and only such refunding as will maintain the uniform rate.

The Bureau took an active part in the two-day session here, on December 18 and 19, of the town and county officers training school, for five counties in western New York, which some four hundred officials attended. The Bureau believes that these sessions, which are of the nature of conferences or conventions addressed by competent speakers with subsequent discussions, will do much to increase the efficiency of local officers throughout the state.

*

Bureau of Business and Government Research of the University of Colorado.— During the past year the Bureau completed four research reports in addition to functioning as the secretariat of the Colorado Municipal League.

A comparative analysis of receipts and disbursements of the state government of Colorado for the ten-year period 1925 to 1934 inclusive was prepared by Martin Schmidt of the Bureau staff and published as a mimeographed report of ninety pages, illustrated with charts and graphs.

Under the title "Public Education in Colorado Since 1880," the Bureau presented data concerning the growth and development of Colorado's public school system from 1880 to the present time. The long-term trends in school enrollment and attendance, revenues and expenditures and per pupil cost, school indebtedness, and comparisons of Colorado with other states are presented. The report was prepared by William Slaton of the Bureau staff. It is a mimeographed document of 128 pages, illustrated with graphs and diagrams and constitutes a reference handbook on Colorado schools.

A study of possible sources of aid to research and education from American foundations was prepared by the director, D. C. Sowers, as an outgrowth of his activities as a member of the council of research of the University. The report gives a statistical picture of the number and size of American foundations, their major fields of interest, their addresses and chief financial officers, and the amount and purpose of grants made to American colleges and universities.

At the request of the president of the University, the director of the Bureau made a study of the effect of tax limitation in other states and its probable effect upon state and local governments in Colorado. The report was published by the University in order that authoritative information might be made available to the citizens of Colorado regarding the effect of over-all tax limitations in other states. An edition of two thousand copies of the seventy-five-page monograph was printed and distributed. This report furnished the factual information for the campaign which was waged by various groups to defeat the constitutional tax limitation amendment to limit property taxes to twenty mills in cities and fifteen mills in outside territory. So effective was the campaign conducted that this amendment was defeated by a five-to-one vote of the citizens on November 3.

As headquarters for the Colorado Municipal League, the Bureau supervised the activities of a field agent for an eight-months period, made audits for four cities, conducted training schools for firemen and waterworks superintendents, compiled a directory of city officials, promoted a new section for city attorneys, and published a bi-monthly magazine.

*

Association of Omaha Taxpayers.—The Association is proud of the record of economy achieved by the state of Nebraska and the city of Omaha during the past four years. The state has no debt and the local government debt has been substantially reduced during this period. The state tax levy for 1937 is the lowest in many years. Property tax levies in Omaha will be lower in 1937 than in 1936.

No bonds have been issued by the city of Omaha since 1932, when the city charter was amended to require a popular vote on all bond issues. The bonded debt of the city and county is being reduced rapidly. The fiscal year which closed in September 1936 was the first during which the county government operated under a budget. The county continues, however, to increase its deficit.

The Association was, of course, deeply disappointed by the Supreme Court decision which prevented the county manager charter, adopted in 1934, from going into effect in January 1937. Lack of coöperation among the county offices which would have been remedied by the new charter is a major cause of the county's financial difficulties. The current session of the Nebraska legislature (only one house now) will be asked to enact county manager legislation.

The Association continues to work for the establishment of sound pension systems for police and firemen. Collection of delinquent real and personal property taxes has also given the Association's staff cause for concern. However, the Association reports that in Omaha and throughout the state, public sentiment for consolidation of counties, home rule for counties, the executive or manager plan in the larger counties, budget and uniform accounting laws, pay-as-you-go financing measures, and similar reforms is growing and that "tax intelligence is rapidly succeeding tax consciousness." The Association looks forward to a year of great progress during 1937.

*

Los Angeles City Bureau of Budget and Efficiency.—There is no administrative power vested in this municipal Bureau, its duties being prescribed by charter as investigational and advisory to the mayor and council. In view of the staff nature of the work, results can be viewed only in the performance of the numerous line functions of the entire governmental organization; and it is significant that in the twelve years of the Bureau's existence, and despite the emergencies created by the economic depression, there has been no short-term borrowing or warrant registration in Los Angeles.

During the past year, Bureau representation has been requested and made available in increasing quantity at meetings of council committees, special groups, and citizen bodies, as well as in various departmental conferences and for consultation with numerous department and division administrators. Such representation has necessitated the assembly and correlation of a large amount of factual data not regularly included in written reports. Both the coöperative professional attitude of Bureau members in connection with such assignments and the greater body of pertinent facts procured thereby have resulted in better coordination of work programs and in improved budgeting.

While a considerable number of legislative and administrative files have been investigated and reported upon, and monthly tabulations, analyses, and forecasts of taxes and other revenues have been made, much time has been devoted to detailed studies of taxes, fees, expenditures, and services as well as the conducting of departmental surveys.

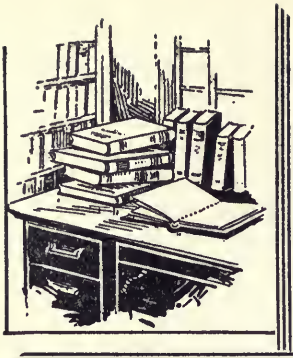
Roy A. Knox, appointed under civil service as director of the Bureau upon its creation in 1925, remains at the head with ten staff members and four stenographic employees, all appointed under civil service. All staff members have an average service of nine years with the city and eight years in the Bureau. Four of these men successfully competed a few months ago in a civil service examination for the position of chief of the division of budgets and accounts in the state department of finance, to which an appointment has not yet been made.

This bureau has for its objective a dollar's worth of service for every dollar expended in municipal operations; and the experience of the city of Los Angeles shows the decidedly beneficial results to be attained through fact-finding and analysis by a group of professional public administrators.

THE CITY MANAGER

(Continued from Page 91)

committees to take charge. Flood emergencies were signals for such action in both Dayton and Galveston since the turn of the century. The necessity for prompt action and unmistakable results made it so clear to the popular mind that the old style "democracy" was incapable of functioning, that a change in the form of local government was demanded, in both cases, after the floods subsided. The administration of gang politics simply could not stand the spotlight. It is significant that none of these things has happened in Cincinnati—no citizen committees to take over the processes of local government, and no martial law to preserve the peace. The regular government, because of its centralized administrative responsibility and coördination in everyday practice, has been able to step up its stride and cope with the emergency to citizen satisfaction. It has been more than satisfaction; it has been a confident dependence on city hall leadership. This is evidenced in the complete willingness and cheerfulness of the citizens to submit to a discipline to which they react as though self-imposed. It is a cooperative acquiescence in closing of theatres and stores and rationing of light and water, based on the conviction that local democratic government is able to stand the strain. It may well be interpreted as an example of what administration must be able to deliver in a democracy if it wishes to keep its balance.



RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

Public Finance. By Alfred G. Buehler. New York, McGraw-Hill Book Company, 1936. 632 pp. $4.00.

Although Professor Buehler modestly announces his new book as intended to be "an introduction to the principles and problems of government financing," there is much of value in it for the mature student of public finance. The discussions of the various subjects, though necessarily brief, are generally well done. The factual data are thoroughly up-to-date. It is perhaps because of this that one emerges from a reading of the book with the feeling that there has been more stress upon problems than upon principles. In line with the best traditions of "the dismal science," the author finds no easy answers for the major problems.

Professor Buehler has given special emphasis to American conditions and problems. Fiscal matters in other countries, however, are not left unconsidered. As would be expected, England, France, and Germany are most frequently mentioned, but Russia, Canada, Italy, and others are also referred to from time to time. This adds much to the interest of the book and enhances its value for general reference purposes.

The space is well divided among the federal, state, and local government finances. A little more than one-fourth of the book is given over to general considerations. Of the rest, the remaining space is divided fairly evenly among the three types. State expenditures are discussed in a separate chapter and local expenditures are also. There is a chapter on state and local enterprises, a chapter on state income taxes, and one on state and local borrowing. Property taxes, inheritance taxes, commodity taxes, special types of business taxes, and administrative revenues are discussed with special reference to their place in state and local revenue systems.

This book gives more than a fair conception of the problems arising from the multipartite character of our system of governmental organization. Subsidies and grants, tax rate and debt limitation provisions, central administrative control of local expenditures and accounts, the independent audit, problems of conflicting taxation, central collection and reallocation—all these topics and many others are given consideration. If Professor Buehler has not always given as full a discussion of these topics as the reader might desire, he has provided suggestions for additional reading at the end of each chapter.

Although the book does not depart from the beaten path very far, it is a welcome addition to the list of general works in public finance. It is up-to-date in matters of factual data. The more recent monographs, articles, and special reports have been utilized to good advantage. In view of Professor Buehler's previous studies of the general sales taxes, it is disappointing not to find a fuller discussion of that subject. He finds nine pages sufficient to dispose of it in this case. One is inclined to wonder if this does not minimize its importance in the present scheme of things.

Harold W. Guest

Baker University

*

State Government and Administration in the United States. By Arthur W. Bromage. Harper and Brothers, New York, 1936. 678 pp. $3.50.

This is a most useful and intelligently written and organized book, designed primarily as a text for college courses in state government or the second semester of the year course in American government.

The principal problem of any new book in this field is its balancing of the old and the new in federal-state-local governmental relations. A century and a half of sculpture has been considerably re-carved in the last half dozen years. It takes a nice perspective to point out the contributions of old and new craftsmen and give some conception of further alterations to be made tomorrow without stressing the new at the expense of the old, or vice versa. This, the author has successfully accomplished.

Beginning with the evolution of the original state constitutions, the book includes material on all the leading aspects of state government and administration, concluding with an interesting chapter on the future of the states, with the Guffey Coal Act selected as an illustration of the No-man's Land which exists under our federal system between regulation by the national government and control by the states. The student seeking an analysis of the effect of the New Deal upon the position of the states in the federal system will find it in this book.

H. P. J.

*

Central and Local Finance in Germany and England. By Mabel Newcomer. New York, Columbia University Press, 1937. 381 pp. $3.50.

There are three distinct methods for adjusting revenues to needs among the different jurisdictions covering the same geographic area, Professor Newcomer reminds us in introducing her timely study of public finance in Germany and England. These are separation of sources of taxation (allotting to the federal government, for example, customs and certain other indirect taxes while letting the state and local governments retain the direct taxes), sharing of specific sources, and grants-in-aid. History has shown that as any federal government becomes older and the cost of government grows the tendency is to abandon the strict separation of federal and state revenue sources as well as independent taxes levied on the same source in favor of uniform and centrally administered taxes which the local governments share directly through the distribution of fixed percentages or indirectly through grants-in-aid.

This has been true in the United States. In many states the system of sharing state revenues with local communities through grants-in-aid has developed to an advanced point while the grants-in-aid administered by the federal government both to states and directly to local units of government have increased rapidly in recent years. In 1930 transfers of revenues from central to local governments had reached nearly one billion dollars in this country; five years later this amount had quadrupled.

In view of this tendency toward centralization of the tax system, which introduces the serious problem of adequate controls, it is well to study the systems of Germany and England which have gone far in such centralization and from whose successes and failures we may profit. In Germany the distribution of revenues has been based almost entirely on the principle of sharing fixed percentages of specific, centrally administered taxes; in England the system of sharing is based entirely on grants-in-aid according to various measures of need, the most important factor in determining need being population weighted to allow for other factors.

Professor Newcomer, on leave of absence from her post as chairman of the department of economics at Vassar, studied the systems at first hand in these countries and her book includes those developments since the World War about which it has been most difficult to obtain adequate and reliable information, especially in Germany.

In the case of each country Professor Newcomer has traced the historical background leading up to the present system of tax distribution, showing how administration of functions has changed with the collection and allotment of revenues. The effects are illustrated through the use of specific example. The geographical areas are well chosen—the poorest districts to the wealthiest are examined as to taxes levied, method of distribution, and benefits received.

In a concluding chapter the German and English systems are compared especially as relates to the degree of local independence possible under each and from the standpoint of economy. The community that takes from the central government in large measure, the one that is not self-supporting, Professor Newcomer holds, should only expect to have its freedom restricted and have the governmental functions administered by the authorities paying the bills. This is necessary to insure responsible expenditures. This should not, however, interfere with the independence of action of those communities which are self-supporting.

As for economy, grants-in-aid are preferable to returning a fixed share of a specific tax to the jurisdiction where it arises. For under the fixed share plan while the wealthy community perhaps receives more than it needs, the share returned to the poor district is inadequate to meet its needs, leaving a gap that must be filled.

A uniform tax system is opposed to local self-government. But we need not choose between the two, at least not at present. Professor Newcomer suggests compromise.

The study is well fortified with statistical data. Miss Newcomer's long-standing reputation for thorough research and keen analysis is augmented by her most recent contribution.

*

Introduction to Governmental Accounting. By Lloyd Morey. New York, John Wiley & Sons, 1936. 318 pp. $3.50.

The first edition of Mr. Morey's book, which has been used widely as a text, was issued ten years ago. Methods of accountancy have so improved in the interim that for the second edition the material has had to be completely revised. The book, as formerly, emphasizes the principles of public accounting rather than treating of details of form or procedure.

Accounting for utilities owned by municipalities and other governmental bodies is the topic for a new chapter. Problems in accounting to be solved by the student are correlated with the chapters. The author is professor of accountancy and comptroller of the University of Illinois and vice-chairman of the National Committee on Municipal Accounting.

*

Lobbying for Social Legislation. By William T. Kirk. New York, Social Work Publicity Council, 1936. 22 pp. mimeo. Fifty cents.

So long as lobbying occupies the important place it does in obtaining legislation it is up to those who are interested in obtaining laws in the interests of the public welfare to master the technique of lobbying successfully. Mr. Kirk has condensed in this study ideas contributed by approximately twenty individuals identified with organizations interested in social legislation who have had long experience in lobbying for welfare measures. Their constructive suggestions will alleviate that sinking sensation in the breast of the amateur who approaches a state legislature for the first time not knowing where to begin or how. He is told what he can do before the legislature opens, how to follow a bill through the legislature, what the lobbyist can do or should not do at each point. This bulletin contains exactly the material that many citizen groups have been wanting for years.

LET'S MANAGE THE NATIONAL GOVERNMENT!

(Continued from Page 56)

VIEW readers. In its method of establishment of a greater degree of control over the operation of what Charles A. Beard calls the "American Leviathan," it follows directly the principles of the program long advocated by the National Municipal League, representing simply the application of these principles to the national government. Should the program be adopted, as seems probable in view of the president's insistence, it will be a great triumph for those who have fought through the years for sound principles of public administration; nay more, it will be hammering more firmly into place the structure of democracy. For, as the president's committee itself emphasizes, "the forward march of American democracy at this point of our history depends more upon effective management than upon any other single factor."

NATIONAL MUNICIPAL REVIEW

MARCH · 1937

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Editorial Comment
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March, 1937

NATIONAL MUNICIPAL REVIEW

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County Home Rule in New York

The tide of interest in the problem of reorganization of county government in the state of New York is still running strong and it appears as though substantial progress would be made again this year at the 1937 session of the legislature. Indeed, so much interest has been manifested in New York State regarding this subject that all except keen students of the field are likely to be confused as a result of the multiplicity of legislative measures which have been prepared for the purpose of designing alternative forms of government for submission to counties.

Review readers will recall that New York voters approved in November 1935 a constitutional amendment requiring the legislature to present optional forms of government to counties.[1] Pursuant to that amendment, a measure generally referred to as the Fearon bill was passed by the 1936 legislature.[2] It may be said that this bill was the least satisfactory of three measures providing for optional forms of county government which were presented at that time. It became law, nevertheless, but since its provisions do not go into effect until July 1, 1937, no county has had an opportunity to take action under it.

Proponents of county reorganization in New York State hope that this law will be repealed at the present session and a more thoroughgoing measure substituted for it. While the county manager plan is provided for, it represents only a perfunctory compliance with the mandate of the people expressed in the large favorable majority received by the county home rule amendment; under it there is little a county may do which it cannot do at present under an optional county government law sponsored several years ago by the "Mastick Commission"[3] and under which Monroe County, New York, is now operating.

Two bills have been introduced into the legislature this year which represent considerable improvement over any existing provisions of law. A measure generally referred to as the Buckley bill and sponsored by the Mastick Commission provides for five basic forms of county government: the county manager plan, the county president plan, the council manager plan, the council president plan, and the selective plan.

The county manager plan provides for the continuance of the present board of supervisors and the appointment by it of a county manager to be responsible for the administration of the county business. This executive is to appoint all other county officers and employees, with the exception of the county judge, judge of the children's court, and the district attorney, all of whom are to remain elective officials and, with the exception also of an independent auditor to be selected by the board of supervisors, to provide an outside check upon the administration.

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[1] Amended Sec. 26 of Art. III and Secs. 1 and 2 of Art. X, New York Constitution.

[2] Article Seventeen-A of the County Law, Book II, McKinney's Cons. Laws of New York.

[3] Article Two-A of the County Law, sponsored by the New York State Committee for Review of the Tax Laws of which former Senator Seabury C. Mastick is chairman.

The county president plan also provides for the continuance of the present board of supervisors and the establishment of a county president who is to be elected by the voters of the county, serve as chairman of the board of supervisors, and have complete responsibility for the administration of the county business. He will have the power to veto county laws or resolutions passed by the board of supervisors except that the board by a two-thirds vote may override the veto. He may also veto changes made in the county budget by the board.

The council manager plan and the council president plan are similar to the two plans just outlined save that a county council is substituted for the present board of supervisors. The council has a small membership—five in counties under 25,000 population, seven in counties from 25,000 to 100,000, and whatever number in counties of more than 100,000 population may be specified in the petition or resolution calling a referendum to adopt the new form. Under these latter plans, the office of town supervisor is not abolished but the supervisors remain solely as town officials and the legislative business of the county is carried on by the newly created county councils.

There are several options permitted under the commission's bill as to the method of nomination and election of the members of these new county councils. They may be chosen from the county at large, from the county at large with residence in certain districts specified, or from districts.

The fifth form of government, the selective plan, is an interesting invention under which a county may adopt any one or more of the features embodied in the first four forms of government as well as any of the features which are optional for inclusion in any of the first four forms of government—thus providing the maximum elasticity possible in the direction of permitting counties to improve their governmental organizations as quickly or as gradually as they may desire. A budget system, however, is mandatory for all counties adopting a form of government under this act.

There are also a large number of options which may be exercised with regard to the transfer of functions from the various units of government within the county to each other or to the county government or the state. The bill provides a remarkably simple yet effective procedure for determining the various options preferred. It states, in the section permitting a referendum on a new form of government to be initiated either by a petition signed by a specified percentage of voters or by a resolution of the board of supervisors, that the petition or resolution shall make the selection of the possible options, the entire reorganization program then being presented to the voters as a unit.

A number of other options are provided in the bill. The sheriff and county clerk may remain elective offices or be changed to appointive offices. Counties may, if they wish, have an elective county comptroller, a county police department, a county fire commission, a county park and recreation commission and a county planning and zoning commission.

The broadest powers of contract between various units of government are provided in the bill. Provision for units to combine with each other in the joint performance of functions is also made.

One of the features of the bill is the optional establishment of a county board of assessment review. Under the present assessment law in New York State a taxpayer who believes his assessment unjust has only the recourse of expensive court proceedings after the more or less perfunctory "grievance day" review before the assessors who made the original assessment. The proposed county board of assessment review, consisting of three members appointed by the county legislative body upon the recommendation of the county executive and the approval of the state tax commission, would remedy this evil.

Establishment of a county department of public health is also one of the optional features in the proposed law. The bill follows the present provisions of the public health law save that it provides for the appointment of the county health commissioner by the county executive from an eligible list of persons possessing qualifications approved by the public health council to be furnished by the county board of health.

The second bill, the Desmond-Mailler bill, in principle follows closely the measure just described, the two most important points of difference being that under this bill the members of the county board may be selected by varied methods of election, including proportional representation, and a county board of supervisors may be set up consisting of town supervisors as at present with members of city legislative bodies replacing the present city supervisors. The bill would also permit the transfer of functions and the abolition or consolidation of offices and units of government to a somewhat greater extent. This bill does not have the selective form of government provided by the other bill but attempts to accomplish the same purpose in a different way.

Two measures have also been introduced in the legislature designed to establish an optional form of county government to fit Westchester County. REVIEW readers will remember that the Institute of Public Administration drafted for the Westchester Commission on County Reorganization[4] an extensive reorganization proposal for Westchester County last year which went too far to suit the board of supervisors. The measures introduced this year have accepted many of the features of the institute's plan of reorganization but have dropped the plan which aroused the most opposition—the proposal to combine all the towns of the county into two towns for purposes of representation. Of these bills, the one sponsored by the board of supervisors, which is most likely to pass, falls far short of the ideal.

Meanwhile, Nassau County has adopted an improved form of county government, which will go into effect next January, providing for an elected county executive, and Monroe County seems to be operating with fair success under the county manager plan. The start that has been made toward fundamental reorganization of county government in a state so important as New York is most encouraging and gives promise of substantial accomplishment in this field over a period of years. It is apparent that citizens can get what they want—if they know what they want and will go after it!

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[4] Carl H. Pforzheimer, treasurer of the National Municipal League, was chairman of this commission.

Progress under the City Manager Plan[1]

A searching analysis of Toledo's city government after a year's trial under its new charter

CARLTON K. MATSON *Editor, The Toledo News-Bee*

I HAVE been asked to tell you what one daily newspaper editor on the job in Toledo really thinks about the progress of our city manager government. I shall tell you, and I may be wrong. In those places where I am critical of what has happened and what may happen, I hope that I am wrong.

Nobody in Toledo could want this city manager government to succeed more passionately than I want it to succeed. I worked for its installation because I thought it would be a great thing for Toledo, and I want to keep it because I think it is a great thing for Toledo.

The city manager administration got away to an excellent start here, with a good council and a city manager of unquestioned outstanding ability and experience. For the most part the administrative record of the city administration to date is as good as its start.

The financial record of this administration alone would, in my opinion, justify its continuance. Following an administration which resorted to overdrafts and defaulted on its bond payments—and I mention this with charity, for the Klotz administration was in a tough spot—the administration this year will have operated on a balanced budget and will finish the year with a surplus available to reduce past general fund overdrafts.

As a result of its good name and open dealing, the administration has succeeded in selling bonds at the lowest interest rate in Toledo's history, less than 3 per cent.

A budgetary system has been put in which means something. There is now a really effective departmental control over expenditures.

These achievements are greatly to the personal credit of City Manager Edy. Every newspaperman around city hall has developed a particular respect for the financial ability of our city manager, which I share.

Other related accomplishments of the administration have been some very economical re-equipping of the police and fire department, the complete motorization of the garbage collection division, efficient coöperation with WPA on street and park improvements for many parts of the city, restoration to city employees of part of the pay cuts, a very effective welfare program, considering the means at hand, and the financing and purchase of Transcontinental Airport.

While the above listing seems impressive to me, I think it errs, if at all, on the side of understatement. Mr. Edy is not much at telling what he is doing. He suffers from reticence about his own achievements—an admirable personal weakness, I might say, but nevertheless a weakness to anyone in public affairs.

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[1] Address delivered at the Annual Conference on Government of the National Municipal League, Toledo, Ohio, November 17, 1936.

As for the city council, it has not only showed a fine responsibility in establishing policy, but the individual record of the members in not expecting or asking for patronage is notable.

And here I come to a natural shifting point from administrative achievement to the theme which I want most to discuss—the political aspects of city manager government in Toledo today.

The generic weaknesses of all city manager governments appear to me to be more political than anything else. There is no question but that the business management advantages of city manager government make it the most effective system of running the city's business.

POLITICS UNDER MANAGER PLAN

But it seems that political power, power to win elections and continue to win elections, develops within the city manager form of government only accidentally or not at all. It develops from without the government, through charter parties or city manager leagues, extra-legally and not too certainly.

In Cincinnati the charter party developed and became a successful nonpatronage city party, and the city manager government has survived. The leaders who set up the city manager government stayed with their handiwork and defended it.

In Cleveland there was no charter party and what political power was developed with the city manager government was the wrong kind. Therefore, the city manager government has for a time at least gone down.

Here in Toledo, there are the best of intentions upon the part of many good citizens who are pleased with the city manager government's record to date, and are proud of it. But they have done very little about it. The City Manager League today is not a really effective agency for supporting the city government.

There have been two kinds of public opinion among those particular friends of city manager government in Toledo who have been opposed to any very active interim program for the League. They are: (1) That the people have good government now, and that they ought to support it without somebody's having to keep them sold on what they have; (2) that any active campaign upon the part of the league between elections would be misunderstood, and League leadership therefore should modestly step out of sight until time for another election.

Partly because of these opinions and partly because of natural inertia, no league secretariat has been maintained, and there has been little attempt to build up or maintain a ward and precinct organization of friends of the league. Lately there has been some educational activity through a revived speakers' bureau, which is hopeful for the future.

But in Toledo today there is neither the machinery nor the technique to resist a real political assault upon the city manager government in case one should be made. Understand, I do not say that such an assault would certainly win. I merely state that the machinery to resist the assault does not now exist.

Just what can be done about this remains to be seen. These are times in which there is a lot of "class consciousness" in politics, and Mr. Roosevelt didn't stir it up either.

In these times, therefore, Toledo has a job much more difficult than confronted Cincinnati when that city, in a different economic era, founded its charter party. This city has to develop a leadership and a technique in its citizen organization which will send a taproot clear down through the strata of standard "good citizens" and into the consciousness of the great majority of the voters, who we have faith are also good citizens in their own way.

As for the doing of this job, my personal opinion is that it can be done here only through the very highest type of professional executive. The league, or some substitute or successor group, needs to get a professional leader, a man effective in organization and thoroughly informed about municipal administration. My guess is that he will have to come out of "the field," a man who has had adequate practical experience in political organization on the non-patronage plane of city manager government.

If this executive were not of the very highest type, and very wise in his own right, he could easily wreck the whole plan and its political future forever. For instance, there was a little foolish talk in some circles here about how "We'll get a city manager and he'll run these radical labor leaders out of town, and we won't have any strikes." Anyone who even tolerated that kind of talk, or the intent behind it, would certainly wreck the city manager plan in a great industrial city like Toledo.

Fortunately, City Manager Edy has been very smart in keeping himself aloof from any schemes which had even the slightest color of local fascism. I think he has kept the integrity of a sound position that the police department is the servant of all the people, and not the instrumentality of any partisans to a labor dispute.

But it is fears and prejudices growing up about such an issue that menace all responsible government in this era, and the man who came here to organize political force behind the city manager government would have to be pretty broad in his knowledge of the social forces which dig political pitfalls.

(I don't have to explain to you, I assume, the sense in which I am using the word "political." Some of us here in Toledo seem to have had a little difficulty in keeping "political" in the patronage sense apart in our thinking from "political" in the sense of that machinery and mobilization of political opinion which must operate behind all government under a democracy.)

Continuing this discussion of the political aspects of our city manager government, I think no substantial political force has developed naturally in the machinery of government itself. That there hasn't been any politics in the sense of job-broking—and there hasn't—is, of course, all to the good.

POLITICAL LEADERSHIP NEEDED

But there is a politics of policy, which is nothing more than sensing the emotions of large numbers of people, which has not been developed under the present Toledo City Council and City Manager Edy.

Our mayor is an excellent man, an honest, high-minded citizen of the community who is unquestionably a good councilman. He has done marvelously in the development of himself as the ceremonial head of the city. But he has not had experience in "fronting" for policies and administrative acts so they would catch the imagination of the people and win popular favor.

There is a good deal of political ability in the council, which almost without exception is a remarkably high grade body. But there is nobody who has been tossed up into a position where he could swing any flaming torch of popular progress which might lead and point the way for the political parade.

Mr. Edy himself has not, in my opinion, done all that he might to make his policies acceptable to the people. He has shown a tendency to "hew to the line" of what he thinks is right in a manner which has been both forthright and sudden, and which fundamentally is wholly admirable, but which in too many cases has left excuses for those who have it in their hearts to throw out this government and to go back to the patronage system.

I hesitate to criticise Mr. Edy for this, because I lived through a lot of the would-be political "finesse" of the W. R. Hopkins régime in Cleveland, and it developed peculiar political evils of its own which make the administrative rigidity of Mr. Edy seem very acceptable.

Specifically, I do criticize Mr. Edy, however, for not giving himself more flexible office contact with the public, and for holding too many jobs in his own hands. Though he does not agree with us newspapermen, we think that he should not try to be his own safety director. He undoubtedly knows as much about the technical side of policing as any man in the United States, but that does not make him able to do some of the things which a safety director should do for and in place of the city manager.

A safety director ought to be a contact man and a buffer between the city manager and the fire and police departments. He ought also to be a "wise guy" who has almost occult knowledge of what is in the mind of the officer on the beat. He ought to be a functionary adapted by temperament to doing a lot of sitting around and listening. He ought to be wise in unofficial ways to the undertow on such ticklish questions as vice and gambling. He must be honest. It's an impressive bill of goods I set up here and I can't be too critical of Mr. Edy for not having the bill filled, because if he asked me for a nomination tomorrow, which he won't and shouldn't, I would not be able to name the man. Maybe there is no such man.

Up to this point, I suggest a rather foreboding picture of possible political calamity which might overtake the city manager government. I don't like to do this. I am most anxious that this government survive in Toledo, and I have such respect for John Edy and most of the members of the city council that I want this present personnel to go on at least through the pioneering years of city manager government here.

But somebody must be frank, and if newspapers and newspapermen are not frank, nobody is likely to be. And if nobody speaks out, then some of the earnest good people, who frequently are not very well informed, are likely not to bestir themselves to the extent they should, and in the end are likely to get the shock of their lives.

I went through an era in Cleveland when all the newspapers, hopeful that all good wishes might come true, upheld Bill Hopkins to an almost scandalous extent. I swore that I would never be caught in exactly that way again, and today I am doing my bit to protect myself and the public to which I have some responsibility. Devoted as I am personally to John Edy—I have never known a more honorable, straightforward and really informed man about municipal government in all my experience—yet I shall strive to be honest enough with him, so that he will always have the advantage of seeing things at least as one newspaper editor sees them.

In the background of all this, it must be remembered that Toledo has taken city manager government on the high wave of a revival year.

We have had a great revival of business, as great at least as that of any comparable American city. We have made progress, through our unique Industrial Peace Board, toward something really fine and new in the community relations which surround the difficult

(Continued on Page 131)

Public Assistance in Relation to Municipal Welfare Problems[1]

Three-way coöperation between federal, state, and local units of government one of most significant aspects of social security act

ZILPHA C. FRANKLIN *Social Security Board*

FROM the point of view of individual communities, the dependence of the social security act upon a three-way coöperation between federal, state, and local units of government is one of its most significant aspects. It is to the states that the act offers federal coöperation. But one of the explicit requirements which the act makes of the states is that benefits and services for which federal funds are contributed shall be made available in all parts of the state. Federal coöperation is therefore of as much importance in meeting the welfare problems of local communities, both counties and cities, as in meeting those of the state as a whole.

Although all the provisions of the social security act contribute either directly or indirectly to the reduction of community welfare burdens, its immediate effect is most apparent in the three public assistance provisions for aid to the needy aged, the needy blind, and dependent children. This direct relationship is due to the fact that both for relief and for welfare the local community has always exercised considerable responsibility and borne heavy financial burdens. By offering federal aid which may be used by the states to meet some of these obligations, the social security act is bringing about far reaching changes in the municipal welfare field.

On the basis of reports for the preceding 11 months, it is estimated that in February, 1937, approximately 1,494,600 individuals—1,163,300 aged, 31,400 blind, and 299,900 dependent children—were receiving aid under plans approved by the Social Security Board in 41 states, the District of Columbia, and Hawaii. Forty-two state plans for old-age assistance had been approved; and 28 each for aid to the blind and to dependent children. Twenty-three states and the District of Columbia were participating in all three programs. Of the total number of individuals being aided, probably something over one-fourth are residents of urban areas.

The monthly public assistance expenditures from combined federal, state, and local funds for the same month are estimated at $25,984,800 for all three forms of assistance. Of this amount, $21,967,400 is for old-age assistance, $778,300 for aid to the blind, and $3,239,100 for aid to dependent children. From February, 1936, to February 12, 1937, federal public assistance grants totalled $128,772,523.10; this included

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[1] Published with the permission of the *Municipal Year Book*. This article is based upon a detailed discussion of "Public Assistance under the Social Security Act and its Effect upon Municipal Welfare Problems" by Geoffrey May and Zilpha C. Franklin, which will appear in the section on Municipal Finance in the forthcoming *Year Book* for 1937.

$112,234,952.54 for old-age assistance, $4,356,620.49 for aid to the blind, and $12,180,950.07 for aid to dependent children.

Within a year after the program became effective, federal participation in public assistance had thus reached very substantial proportions. This participation affects municipal—as well as county and state—welfare programs in three ways that are of direct and practical importance: through providing these federal grants to states with approved plans it makes more money available to every community within such states; through exerting an influence on administration it tends, in many parts of the country, to stimulate far reaching changes in organization and procedures; and through encouraging the liberalization of requirements affecting beneficiaries, it brings an increasing number of the needy within the scope of assistance for which federal funds may be used. Actually these three influences operate as integral and inseparable parts of a single developmental process. Since, however, each has a distinctive effect upon state and local public welfare, it seems worth while, in the discussion which follows, to consider each separately in so far as possible.

Under the public assistance provisions of the social security act, the state occupies a central position, coöperating with the federal government on the one hand, and with its own political subdivisions on the other. Since conditions vary widely in a country as large and diverse as the United States, the act provides that each state shall formulate and administer its own plans in line with its own needs. To assure efficient administration on both state and local levels and effective assistance to the needy, these plans must conform to the act with regard to certain broad essentials.

In addition to making federal grants available, the development of public assistance plans which conform to the social security act has assisted the states and their communities in meeting many of the difficulties previously encountered. At the same time, it has raised certain new problems, particularly with regard to the inter-relationship of state, county, and city or town governmental units.

PUBLIC ASSISTANCE ADMINISTRATION

The requirements regarding public assistance administration and finance embodied in the act are based directly upon the earlier experience of the states. In general, the states with well established public assistance systems prior to the act had developed two types of organization. Under one plan the state bore the entire cost of assistance without local financial participation, and itself assumed direct administrative responsibility through a state agency with district offices in the localities. Under the other plan, both the states and the local subdivisions shared in financing the program. Responsibility for local administration was lodged in the local units of government under state supervision, usually through the state's department of public welfare. The subdivision most frequently vested with local administrative responsibility was the county. But in the case of certain large cities, the municipality itself was made responsible for administering the program. In some of the New England states the town has continued to be of more importance than the county in welfare activities. And in certain communities where the county government exercised administrative responsibility, the urban character of its population made its welfare program as much a city as a county concern: either the city and county boundaries were coextensive, or the county constituted an urbanized area, of which the municipality was the nucleus.

The social security act recognizes that both these systems offer a workable basis for effective administration, and either type of organization may be approved as conforming to the act's requirements. The act thus provides that states may build upon their own past experience and establish whichever system each finds most familiar and best suited to its particular needs. In considerably more than half of the approved state plans, the direct responsibility for public assistance administration is lodged with the local subdivisions under state supervision.

LOCAL PARTICIPATION

The distribution of locally administered and state administered programs is of particular interest in relation to the character of the population in the states. Of the 93 cities of 100,000 population or over in the United States, 84 are participating through their state plans in public assistance under the social security act. One of these, Washington, D. C., has a special type of municipal administration. Of the remaining 83, 55 are located in states where the direct responsibility for one or more forms of public assistance is in local hands, and only 28 in states where public assistance is directly administered by a state agency. Although it is unwise to attempt any generalization regarding the implications of this distribution in relation to administrative organization, it might indicate that, in many states where local public welfare agencies were well established before the passage of the social security act, the same type of administration has been continued.

Although it is too soon to attempt any thoroughgoing analysis of the effect of federal coöperation upon state and local problems of administration, certain trends are already apparent. It is certainly clear that the plans being developed in the states will have far reaching effects both on the relationship between the governmental units within the state and on policies, methods, and procedures.

The state is responsible to the federal government for the conformity of its program to the act. This necessitates a change in the relationship of municipal, county, and state administrative agencies. In most parts of the country municipalities have not been responsible for categorical assistance as such; but many cities have been compelled to provide poor relief for persons now eligible for public assistance. One of the results of the social security act will therefore be to reduce the number of cases for which the city must administer general relief. In so far as the counties and the states are concerned, the act makes for a closer relationship under the state agency than has existed in many states in the past. This is equally true whether the plan is directly administered by the state agency or supervised by it. In addition, it should be noted that, although at the present time more than half the approved state plans place responsibility for administration upon the local units under state supervision, a definite trend toward direct state administration is evident.

State participation in administration is not only one of the essentials for conformity with the social security act but would, in any case, be necessary to assure the effectiveness of the other provisions. It makes for increased efficiency and eliminates duplication of effort in record-keeping, auditing, and other administrative details. It makes for uniformity in eligibility requirements and methods of handling cases, and in standards of personnel, competency in service, and staff salaries. It should also make available to local administrative agencies the coöperation and advice of specially qualified field supervisors and specialists who can be of great help in developing a well balanced program.

All of these are assets of which the importance can hardly be overestimated—assets, indeed, which had been recognized long before the social security act came into being. But statewide uniformity, if applied too arbitrarily, may not be an unmixed blessing for the more progressive communities within a state. While tending to raise the level of administration in rural or backward communities, in urban areas uniformity might mean regression rather than progress in standards of service. There have also been cases in which the adoption of new procedures has been carried through too hastily and arbitrarily and has caused friction between well established local agencies and the state supervisory body.

Neither of these difficulties is inherent in the program outlined under the social security act. The act is so designed as to allow for considerable flexibility, and the Social Security Board has been particularly interested in helping the states develop programs which avoid the pitfalls of rigidity. The federal act allows the state agency to make standards and policies its major concern, and the local agencies or state district offices to continue to take the detailed responsibility for investigation, individual record-keeping, and contact with individuals.

The social security act provides that the state—as distinguished from its local subdivisions—must bear some part of the cost of public assistance, and that the federal government will pay a share of the total expenditure under every state plan approved by the Social Security Board. For assistance to the needy aged and blind it pays approximately half of the state's total expenditures, and for aid to dependent children, one-third of the total cost to the state.

Since the social security act sets no single fixed pattern, the relationship between finance and administrative organization varies considerably from state to state. In most states which have wholly state-administered plans, the state itself assumes the entire financial responsibility, so that local units of government, as such, make no direct contribution. In states which place the direct administrative responsibility in the hands of the local governments, the counties, as a rule, also participate in financing public assistance. Under some state-administered plans, however, the localities pay part of the cost; and under some county-administered plans, the state pays the total cost.

COUNTY SHARE OF COSTS

The proportion of expenditures borne by county units, in the states where counties pay part of the cost of public assistance, varies from approximately one-eighth to more than two-fifths of the federal, state, and local total. In a few states no set amount is fixed for state and county shares. In some cases, cities and towns are called on to reimburse the counties for some part of the cost; in Massachusetts, the town rather than the county remains the responsible local unit.

Finally, the social security act has encouraged the liberalization of eligibility requirements. Although age, residence, and citizenship are the only aspects of eligibility on which the social security act sets up requirements to which approved state plans must conform, its provisions in these particulars have led to the establishment of less restrictive requirements than those found in earlier state assistance measures; and at the same time federal financial aid has made it to the advantage of the states to broaden the scope of public assistance.

Most state old-age pension laws prior to the social security act had, for example, granted aid only to persons 70 or over. The act provides that the age requirement shall be 65, although it allows a temporary period for adjustment up to 1940 during which the states may make the age requirement as high as 70 if they wish. Approved plans may not set a lower age limit than 65 for old-age assistance. Of the 42 old-age assistance laws approved by the end of 1936, only nine had not already placed the age limit at 65. For aid to the needy blind, the act makes no requirements regarding age. For aid to dependent children, the age requirement may be as high as 16, although 14 was the age limit most frequently set by earlier state and local mothers' aid laws. In view of the fact that approved state plans need not necessarily raise the age limit to 16, it is particularly noteworthy that all plans so far approved have done so. In many states this brings the age provisions for aid to dependent children into line with laws for compulsory school attendance and for minimum working age, and makes it financially possible for dependent children to be provided for until they have finished school and will be permitted to go to work.

CITIZENSHIP REQUIREMENTS

With regard to citizenship, many though not all state public assistance laws had previously set the requirement as high as 15 years, particularly for old-age assistance. The social security act now provides that no citizen may be excluded on the grounds that his citizenship is not of long enough standing.

Earlier laws also generally set up high local and state residence requirements which tended to exclude a large number of the needy. For the aged, many state laws had required 15 years of state residence, and a few went even higher. In contrast, no person may now be excluded from old-age or blind assistance under the social security act on grounds of residence, if he has lived in the state for five out of the last nine years and has been a resident of the state continuously for the year preceding application. No dependent child may be denied because of residence who has lived in the state for the year preceding application, or who was born within the year, provided the mother had lived in the state one year preceding his birth. Approved plans may not exclude anyone from assistance on grounds of insufficient *local* residence. Where plans are wholly state financed, the question of local residence would, of course, not be raised in any case. But where localities pay part of the cost, it is naturally of considerable importance. The most common practice is to consider applicants who lack sufficient local residence to entitle them to assistance from local funds as "state cases" until such time as local residence requirements are satisfied. For these cases the state bears the entire non-federal share of the cost.

Although within these broad bounds each state determines for itself the specific conditions of eligibility and the basis of need on which assistance may be granted, the effect of federal participation has been toward a more liberal and realistic policy. Old state and local qualifications as to "worthiness"—always difficult to administer in actual practice—have tended to become less rigid. The fact that federal contributions will not be made with respect to persons cared for in public institutions will probably tend to reduce the number of able-bodied, needy persons who are compelled to enter almshouses because they have no other means of support. Many states have also made their property requirements less stringent, in order to preserve the homes of needy persons who own some property but whose income is inadequate according to state assistance standards.

In its provisions for aid to dependent children, the act has also made for a broader coverage by liberalizing the provisions regarding causes of dependency and the relatives with whom a child may live. Under most former state mothers' aid laws, only a child living with his own mother was eligible, and frequently various other restrictions were imposed which excluded many in real need of assistance. Under the social security act, provisions regarding both causes of dependency and the degree of relationship of the person with whom the dependent child may make his home may be extended to permit assistance to a much larger group of children.

One of the most immediate effects of the social security act has thus been to make public assistance available to many persons in all three categories who in the past would have been dependent upon general relief. This reduction in the residual relief load, together with federal and state participation in financing assistance programs, tends to relieve the local community of a considerable burden of expenditure.

All the available evidence tends to show that, in states with plans approved under the social security act, public assistance with federal aid is making significant increases, while general relief expenditures are declining. But the financial effect of the social security act upon municipal relief expenditures is probably not yet fully apparent. The ultimate result, so far as municipal finances are concerned, will not be measurable until there has been time to estimate the decrease in the local welfare load which will follow the expansion of public assistance and the corresponding restriction of general relief. Since public assistance provides for more of the unemployables who, under the present allocation of relief responsibilities, would have to be cared for by local communities, it will continue to be of importance both to the cities and to the smaller local communities. And to this direct reduction in the local relief load must also be added the indirect savings which will result from the preventive effects of better child welfare and public health services and from the provisions for unemployment compensation and old-age benefits.

USE OF FEDERAL AID

Up to the present, the federal aid offered under the act seems to have been utilized by states and communities more to increase the coverage of their public assistance programs and to relieve the pressure upon local tax funds than to increase the adequacy of assistance. This was obviously essential as the first step in repairing the damages incurred by local finances during recent years. The long-term objective of the social security act is not, however, to reduce state or local expenditures, but to help the states and their communities to develop increasingly adequate assistance and welfare provisions. Yet this objective in itself raises serious problems of nationwide importance, since some states are well able to bear the cost of an adequate assistance program and others find it extremely difficult to make adequate provision for public assistance.

While there remain wide differences in the levels of assistance from state to state, the social security act has helped the states to meet the similar problems encountered within each state's own boundaries. The provisions for statewide operation and for state participation in financing have tended to equalize the assistance available in all parts of each participating state. In addition, a few of the states that call upon their localities to pay part of the public assistance cost have attempted to meet the needs of their poorer communities by having no fixed state and local percentages, so that the local contribution can be adjusted in line with the communities' needs and resources. Other states have provided equalization funds from which the less able counties receive supplementary grants. So far as can be judged from the data now available, there has been no marked tendency to reduce individual payments in cities and other communities able to make adequate provisions. Moreover, the rising assistance level in the poorer communities will to a considerable extent put a brake on the migration of the needy to the cities where, in the past, relief was likely to be much more generous.

ACHIEVEMENTS AND OBSTACLES

The Social Security Board recognizes that the progress of public assistance during its first year has been due, in large measure, to the notable achievements of state and local administrators in getting the program under way. The Board does not minimize the obstacles that have been encountered or the problems still to be surmounted—among others, the further coördination of the financial responsibilities of the three levels of government, the development of adequate standards of assistance in all parts of the country, and of a progressively more effective administrative organization manned by qualified workers at every level.

On these and other problems, the Social Security Board serves as a clearing house for experience and information gathered by the various states in the operation of their own plans. This fund of practical suggestions and counsel is freely available to every state which wishes it. In addition, the Board is prepared to advise with the states, on their request, in all matters pertaining to the organization of their programs and the practical problems of their administration. A number of states have already begun to develop a similar relationship with their local agencies. They are sharing with the local units in all parts of the state the practical experience of other local agencies in meeting everyday situations; they are offering guidance and consultation on community problems; and they are interpreting federal and state policies as they relate to local problems.

In the further development of the program, in meeting the issues which are bound to arise in connection with any long-term social legislation, the relationship of community welfare problems to those of the state and of the nation as a whole is a fundamental consideration. One of the most significant things about the present program is that in the social security act we have at last recognized this triple relationship; the act represents our first nationwide effort to make the federal and state governments partners with our communities in an organized and far reaching public welfare program.

Editor's Note: This is the second of a series of articles appearing in the Review dealing with the administration of the social security act. The first article, entitled "Progress and Prospects under the Social Security Act," by Frank Bane, appeared in the February issue.

The London County Council under Labor Rule

Socialist government has administered the affairs of London with skill and efficiency and maintained a liberal policy in the social services

DEAN E. McHENRY *Williams College*

On March 4, 1937, for the second time in succession, the Labor party elected a majority to the London County Council. Early returns indicate that the Laborites have won seventy-five seats, while the Municipal Reformers (Conservatives) have retained only forty-nine, a net gain for Labor of six seats. Neither the Liberals nor Sir Oswald Mosley's Fascists succeeded in electing any council members. The election was fought on the primary issue of Labor's record in office during the last three years, and serves to focus attention on the Labor party's role in London politics. Because the governing body of the British capital ranks second only to Parliament in power and prestige, the Labor party has long attached great strategic importance to capturing a majority on it.

After its establishment in 1888, the London County Council divided sharply along party lines, and its partisanship has been carried to much greater lengths than in provincial British municipalities. Until 1907, the Progressives (Liberals) had an unbroken period of power in which the tradition of clean and efficient government was firmly established. Sidney Webb, Ramsay Macdonald, and other Labor leaders served on the council as Progressives, and played leading roles in the extension of social, educational, and public utility services. During the long rule of the Municipal Reformers (Conservatives), 1907-1934, the Labor members formed their independent group, gradually built up strength, became the official opposition in 1925, and achieved a majority in 1934.[1]

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[1] The total vote polled and the seats won by the major parties in the six triennial elections since the war are as follows:

	Labor		Municipal Reform		Liberal	
Year	Vote	Seats	Vote	Seats	Vote	Seats
1919	54,053	15	59,021	68	38,725	40
1922	195,550	16	288,384	82	101,077	16
1925	233,153	35	276,140	83	55,586	6
1928	250,595	42	284,544	77	97,045	5
1931	214,256	35	284,983	83	32,267	6
1934	341,390	69	298,464	55	22,858	0

Compiled from W. A. Robson, "Thoughts on the L. C. C. Election: The Chaos of Local Government," *Political Quarterly*, vol. v (April-June 1934), p. 167; London Labour Party, *The Work of the London Labour Party 1933-34*, p. 14.

The campaign for the election of March 8, 1934, was fought on a number of comparatively minor issues. As in previous electoral struggles, Labor pressed its case for improved and increased housing, education, and other services, and urged the need for liberalized public assistance. The Municipal Reformers campaigned against extravagance and for the national government's retrenchment program. The polling was light and Labor's landslide victory probably was unexpected even by party leaders. Labor obtained sixty-nine seats to the Municipal Reformers' fifty-five, and in total votes, 341,390 to 298,464. The Liberals were completely eliminated from representation on the council.[2]

The Labor majority proceeded at once to organize the new council, choosing Lord Snell of Plumstead, a Labor peer, as chairman. Mr. Herbert Morrison, a skillful party leader with long training in municipal politics, assumed the important post of leader of the council. In accordance with established practice, the twenty aldermanic seats were allocated between the parties in proportion to their councilmanic strength, and the chairmen and vice-chairmen of committees were drawn entirely from the majority party. After the selection of aldermen, Labor had a working majority of sixteen.

In the London County Council Labor party, the meeting (caucus) of all Labor aldermen and councillors is supreme, but power of direction is vested in the hands of an executive committee, similar in some respects to a cabinet. This group is known as the "policy committee" of the party, and includes nearly all the Labor chairmen of council committees. It meets weekly on the day preceding each council session, considers matters referred to it by the full party caucus, and discusses business brought to it from the council committees through the leader.[3]

On the council floor, the party presents a united front against the Municipal Reform group, and its members vote in accordance with the party decisions made by the full caucus or party policy committee. The only exception permitted is on certain matters of conscience when members may abstain if they have raised the point in a previous caucus. Religion or temperance are the most common reasons given by conscientious objectors. In general, the discipline imposed by the Labor party is rigid. A chief whip and three junior whips are responsible for attendance and for getting their party colleagues into the proper division lobby. As in the House of Commons, a question time exists, during which the opposition may ask the leader or committee chairmen concerning county business.

The harmonious relationship which traditionally has existed between the political council and the permanent administrative staff has been perpetuated under Labor rule. Administrative officers may be called upon by committees or individual members of either party for information regarding departmental work; administrators avoid party controversies entirely. On assuming office, Labor members of the new London County Council were reminded by party leaders of the necessity for avoiding charges of influence and jobbery in appointments, and were ordered never to approach an officer on any matter of employment. The party similarly directed administrative officials not to accept applications for employment through any council member.

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[2] The records of campaign expenses show that the Labor party spent 5.59 pence per vote obtained; the Municipal Reformers, 14.03 pence; and the Liberals, 19.85 pence.

[3] Students of British municipal government will welcome Mr. Herbert Morrison's realistic discussions of London's problems in his *How Greater London is Governed,* (London 1935), and "How the London County Council Does Its Work," *Public Administration,* vol. xiv, (January 1936), pp. 17-29.

INCREASED SERVICES

The record of the London County Council under Socialist rule is one of extended services with increased costs. In housing, the economy policy of previous years has been reversed, the clearance of all London slums scheduled, and rents for council-owned houses reduced. School rebuilding and repairing has been revived; the number of scholarships and free places in secondary schools has been increased; school meals and school health services have been extended considerably. As expected, the Labor majority administered public assistance more liberally, made numerous improvements in public hospitals, purchased new land for park purposes. Hours of work of county employees have been reduced, salary cuts restored, staffs increased, and conditions of work improved in a number of departments.

All this has cost a great deal, but the council determined to raise the tax rate at the outset. It was announced that this new rate would provide the revenue necessary for Labor's program during the three-year term of office. By this immediate action, the party leaders hoped to give the electorate sufficient time to forget the increase before the next election. Their estimate of income, however, proved optimistic, and the council was forced to raise the rates again in March 1936.

A number of conflicts with the national government have taken place; the most spectacular concerned the rebuilding of the Waterloo Bridge over the Thames—the reconditioning of the bridge had been under discussion for ten years. After the House of Commons refused aid in the project, the Minister of Transport rejected the county's application for a grant, so the council proceeded with the demolition and reconstruction out of county funds. London Laborites often cite this as an example of their party's decisiveness and capacity for action.

SUBURBS BRING PROBLEMS

The accomplishments of the Labor majority on the London County Council are subject to special limitations. Not only is the council checked by the usual administrative supervision of the central government, and restricted to specifically delegated powers, but the boundaries of the administrative county are so far out of harmony with the actual extent of the metropolitan area that the county cannot deal adequately with the problems of Greater London. Only about one-half of the eight million population recorded by the census for Greater London (the Metropolitan Police District) live in the county of London. The remainder live in the rapidly growing "outer ring" in the counties of Middlesex, Surrey, Kent, Essex, and Herts, and are governed by a complexity of county boroughs, municipal boroughs, urban districts, rural districts, and parishes.

From this outside "dormitory" region a million workers daily commute to the county of London to offices and factories; they are provided with costly municipal services which are furnished by the county and metropolitan boroughs. Because the important problems of London cover the whole metropolitan area, an increasing tendency to form special agencies and special districts to deal with particular problems is evident; the Metropolitan Water Board, the Metropolitan Police District, and the London Transport Board are results of this trend.

Within its sphere, the London County Council under Labor rule appears to have made a reasonably good record. By London's special position, the party

(Continued on Page 136)

Housing Inspection Personnel

Use of the merit system urged for selection of housing inspectors

SYDNEY MASLEN

Tenement House Committee, Charity Organization Society of the City of New York

For sixty-nine years we have had housing legislation, but comparatively little attention has been paid to housing administration. While health and human welfare have been conceded to be the basic purposes for enactment of housing laws, these purposes frequently have been nullified because the public failed to demand housing inspection personnel qualified to understand the effect of specific housing conditions upon the persons housed.

At the time the Fusion administration "captured" New York in 1932, the purpose of safeguarding human values had been largely lost sight of and the Tenement House Department had settled into a passive routine of merely filing violations to make real estate comply with statutory regulations. Little regard was paid to the implications of housing inspection for raising living standards. Routines were followed without any real understanding of the purpose of the work.

It is of great significance, therefore, that under the new charter for the city of New York, voted on November 3, 1936, deputy commissioners in the consolidated Department of Housing and Buildings are to be civil service career men, instead of political appointees. Credit is due Tenement House Commissioner Langdon W. Post for his public spirit and vision in recommending to the Charter Revision Commission abolition of his own appointive job.

The public housing movement is gaining momentum in America. The task of building cities of the future brings up problems and responsibilities which will try the best city administrators. Real property in sixty-four cities already has been surveyed. Substandard houses are being certified as unfit and ordered repaired or renovated, or else demolished and the tenants rehoused in habitable dwellings. It is the duty of housing departments to certify those buildings and slum areas which are ripe for clearance. This is a serious responsibility. This power of bringing increased life, happiness, and health to slum tenants on the one hand, and on the other hand imposing the death sentence on slum property, should be exercised only by personnel especially trained to evaluate disrepair and insanitary conditions in terms of their impairment of human lives and health.

If we are to be realistic about housing we must recognize the fact that families will continue to live in slums until the last slum building is demolished and the family adequately rehoused, and when poverty is abolished. While we are working for this happy day to come, we must also set ourselves realistically to the task of making the old buildings and the slum areas as decently habitable as it is humanly possible.

The worst housing invariably is accompanied by impaired health and vitality, disease, delinquency, crime, and other family problems linked up with poverty and dependency. It is these human problems which make housing inspection work so difficult. While housing inspection should be focused specifically on the physical condition of dwellings, it must be evaluated in human terms and correlated with the work of agencies specializing in crime prevention, relief, nursing, public health, and social work.

The annual report of the New York Municipal Civil Service Commission for 1935 contains the following suggestion in a report by Commissioner Samuel H. Ordway, Jr.: "Improved service by civil service employees is being increasingly demanded by citizen organizations. In several jurisdictions, citizen organizations have been demanding an examination every three or four years to test the right of the employee to retain his position, on the theory that the right of tenure should depend on continued activity and ability on the part of the employee." Housing inspectors who cannot meet existing standards can be placed elsewhere and those who show promise given opportunities for training and promotion. Salaries as well as qualifications must be raised if better equipped personnel is to be recruited. There is little inducement to better performance and it is short-sighted economy when salary increases are denied year after year.

The Tenement House Committee of the Charity Organization Society, therefore, has recommended that housing inspection be developed along the lines of a career service.[1] In the statement of qualifications submitted to the Charter Revision Commission and the Municipal Civil Service Commission the intent was to make possible the recruitment of housing inspection personnel who would have a broad interest in the housing problem, who would not permit undesirable conditions to exist, and who would be alert to suggest improvements in housing laws and their administration. With training emphasizing a broader base, it should be possible to equalize qualifications for similar kinds of public service—such as housing, sanitary, or food inspectors. An extremely useful device would be that candidates for positions as housing inspectors pass an examination to be given independently by an organization such as the American Public Health Association. This would have the effect of raising the level of preparation and would be a guide to their qualifications.

The need for developing a career service as an approach to government housing in this country was forcefully presented in the following editorial which appeared in the *New York Times* on April 19, 1936:

> Government services are no longer predominantly of a routine character. Many of them call for experts and technicians, others for administrative ability of a high order. We are asked to venture into fields of industrial and social control from which the old-time political jobholder should be forever barred. Take public housing for example: with how much more assurance Americans would be able to view the future of that experiment on this side of the Atlantic if they could be sure that control would be placed in the hands of as capable administrators as Great Britain has been accustomed to enlist. A second civil service reform movement, 1936 model, such as President Dodds [of Princeton] advocates, might not find favor among the politicians . . . but it would command the overwhelming support of the American people.

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[1] A copy of this report, *Realism in Housing,* may be obtained by writing the Tenement House Committee, 105 E. 22nd Street, New York City.

St. Louis County's Proposed Home Rule Amendment

The outlook is bright for the replacement of the present obsolete government by one designed to meet the metropolitan requirements of the county

HUBERT W. STONE *St. Louis Governmental Research Institute*

An amendment to the Missouri state constitution which would enable St. Louis County to modernize its government has been introduced in the upper house of the general assembly. St. Louis County bounds the city of St. Louis on the north, west, and south and contains an area of 487 square miles. In 1930 the population was 211,593 and approximately two-thirds of the county's inhabitants live in twenty-eight suburban communities which range in size from less than 100 to more than 25,000. Endowed with large, unimproved areas, a rolling topography which lends itself to the further development of spacious and attractive home sites, all within a radius of twenty-five miles of the city, the county seems destined to continue the growth which doubled its population between 1920 and 1930. Regional planners predict that, by 1980, the number will reach a million.

St. Louis County finds itself in the same position with respect to its government as many other counties adjoining large cities. Transformed from a rural area into one urban in character, the county is attempting to cope with its metropolitan problems with the governmental machinery and methods which were designed many years ago to operate effectively in sparsely settled, agricultural counties. Its present administrative structure includes numerous elective officers: three judges of the county court, county clerk, assessor, collector, treasurer, recorder of deeds, sheriff, prosecuting attorney, coroner and highway engineer; the members of the county court, county clerk, sheriff, and coroner are constitutional officers. The county government has no single, responsible administrative head and the nearest approximation of a central governing body is the county court composed of a presiding judge elected for a term of four years and two associate judges elected for two-year terms. The chief administrative officers, being elective, tend to become independent agencies holding themselves accountable only to an inarticulate electorate. This tendency toward departmental autonomy is aggravated by the operation of the "fee system" by which the county officers finance their departments out of fees which they collect and deposit in personal bank accounts. Diffusion of responsibility and the absence of adequate financial control are lamentable characteristics of the governmental structure.

No local legislative powers are vested in the county court so the general assembly is burdened with the passage of all the laws required to enable the county officials to handle those peculiar problems which rapid urbanization has produced. This serves not only to further congest the legislature's crowded calendar but also renders the county government unresponsive to ever changing needs. The Governmental Research Institute of St. Louis has compiled an index and a brief abstract of the laws regulating the administration of St. Louis County. This compilation embraces 2,500 separate sections of the law, exclusive of those statutes relating to the judiciary and election procedure, which control the county's governmental operations. These laws range in subject matter from stipulating that the coroner may be allowed a fee of one dollar for retrieving a floating dead body and stating precisely what shall be done in the event the county seat caves into the river to outlining the procedure which shall be followed in establishing a county hospital and making provision for the examination of the accounts of county officers by the state auditor. Within this range there are many laws which are conflicting in their provisions and are wholly impracticable of application in St. Louis County.

During the past two years a group of citizens serving as members of the Cost of Government Committee of the St. Louis County Chamber of Commerce has been coöperating with the county officials in an effort to bring some order out of the chaotic state to which antiquated laws and piecemeal legislation have brought governmental affairs. At the request of this committee the Governmental Research Institute made a study of the county's most pressing problems and suggested certain changes. It became apparent, however, that a complete overhauling and a thorough modernization of governmental structure, methods, and procedures, and permanent release from the rigid mold of minute statutory regulation presented the only solution of the county's problems. The institute made a careful survey of the experience of other states in their efforts to secure better county government, considered the proposals which had been advocated to achieve this end in Missouri, and, on the basis of this study, drafted the constitutional amendment which enables the county to adopt a charter form of government.

The proposed constitutional amendment is in the form of a joint and concurrent resolution and it must be adopted by both houses of the general assembly before it can be placed on the ballot for ratification by the voters of the state. If approved at the 1938 general election the county court may request the four judges of the circuit court and the judge of the probate court to appoint a charter commission. Should the county court fail to act, a petition signed by five per cent of the voters will compel it to request the appointment of the commission. Membership on the charter commission will be distributed among the seven townships of the county on the basis of the number of registered voters. The presiding judge of the county court will be the chairman but without vote except in case of a tie. The commission will serve without compensation but may retain expert assistance and pay all reasonable and necessary expenses incurred in the preparation of the charter.

The proposed amendment does not prescribe any particular form of government but leaves this to the determination of the charter commission. It does provide that there shall be a "central governing body" of not less than three elective members which may be vested with extensive powers of local legislation and administration. The circuit court, probate court, and schools are exempted from the scope of the charter but with these exceptions the charter may provide for the reorganization, consolidation, or abolition of existing county offices.

The operation of the municipalities

in the county will not be disturbed though the charter may provide the means by which functions and services may be transferred to the charter government from the cities. No such transfer can be effected, however, without the express consent of the municipality.

Provision for the initiative and referendum with respect to local legislation and the recall of elected charter officials must be included in the charter according to the terms of the proposed amendment and a method of amending the charter must be set forth.

The charter commission will have a year in which to complete the charter draft and then it must be submitted for adoption at a special election called for that purpose. A majority vote in favor of the charter will be sufficient for its adoption. After the charter has been adopted no law passed by the general assembly which alters the structure or the powers of the charter government can become operative unless it is approved by the voters of the county.

The county court is in entire accord with this effort to give St. Louis County a modern and efficient government and the proposed amendment, sponsored by the County Chamber of Commerce, has the endorsement of the County League of Municipalities, the League of Women Voters, and other interested civic organizations. With this organized support and the strong popular demand for a county government free from the shackles of archaic laws, liberated from the remote control of the state legislature, and competent to deal with those urban problems which are pressing for immediate solution, the outlook is bright for the replacement of the present obsolete governmental structure by one carefully designed to meet the present and future metropolitan requirements of St. Louis County.

CITY MANAGER PLAN

(Continued from Page 116)

issue of industrial relations in big industry.

Our eyes are again blinded a little by the glow of something like a prosperity boom in the making, and it is perhaps hard for us to think most realistically about politics. But we must think realistically. We must face our city government issue, so that we can apply our own self-criticism while we are still standing up, instead of having to allow some board of expert municipal government morticians to conduct an autopsy after our fine hope of good government has fallen down and died.

So this little prospectus, as I have presented it—compound of high praise and what I hope is constructive criticism—is rendered in the hopeful faith that it may somehow be helpful in enabling Toledo to go on and on under a new and better deal.

Author's Note: At the moment, the local City Manager League is making an earnest effort to set up an active leadership, and it may be that by the time this is published a new league administration will be in office, and a full-time, competent executive secretary on the job.

It seems to me that since November the threat of an attempt to overthrow the charter is much less menacing. There has been a reshaping of political forces opposed to the charter, which makes an attempt to repeal the charter, or even P. R., somewhat unlikely this year. This fight now may come over a powerful partisan political attempt to elect a patronage council.

It seems to me that Mr. Edy's position is even stronger than it was in November. He appears lately to have shown more political finesse in handling people than he did during the early months of his administration. I feel also that the integrity and expertness of his administration is getting over to the voters increasingly.

As for my specific suggestion that Mr. Edy should appoint a safety director, I am not now so certain. I still think that the qualities suggested by my November paper are needed in the department, but perhaps Mr. Edy is working out a substitute through his use of the police and fire chiefs, which makes the immediate appointment of a safety director unnecessary.

Financial Statistics of America's Large Cities

A description of the high spots of the annual compilations on municipal finance of the Bureau of the Census.

C. E. RIGHTOR
Bureau of the Census

Of a total population of 125,770,000 for the United States, estimated as at July 1, 1933,[1] nearly one-third (37,585,800) lived in the ninety-four cities having a population over 100,000. These cities are located in thirty-two of the states, and the District of Columbia.

The financial operations and status of these ninety-four cities, therefore, serve as a gauge to the extent and condition of public finances of the nation. They are reported in detail for 1934, in a report recently released by William L. Austin, Director of the Bureau of the Census, Department of Commerce. To those who study this report, a wealth of information is available regarding the receipts and expenditures, taxes levied and collected, grants-in-aid from the federal government and states, debt, and property valuations for these cities.

Urban government in the aggregate spends normally more public funds[2] and employs more persons[3] than any other level of government. Moreover, the cities furnish a large and growing number of public services to an increasing proportion of the citizens of the nation, these services being the most essential and intimate to the people and ranging from protection of life, health, and property to maintenance of schools, libraries, and recreational facilities, courts and correctional institutions, finally to welfare in its broadest sense. The range of public services performed by the modern city is truly impressive and astounding to the person who reflects upon what his municipal government is doing and stands ready to do for him. The major portion of urban finances is included in the census report.

REVENUE RECEIPTS

The census figures for 1934 show, for the ninety-four cities, total revenue receipts of $2,711,000,000, or a per capita of $72.13. For the twenty-six cities in census groups one and two (one, over 500,000 population; and two, between 300,000 and 500,000 population), it should be noted, a proportionate share of the county's transactions is included, to afford comparability with those cities in which the county organization is consolidated with the city. This annual contribution by citizens to their municipal government is so substantial that consideration may well be given the sources. These sources—general property, special taxes and assessments, departmental earnings, public utility receipts, etc.—are set forth in detail in the report.

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[1] The latest official census estimate is 128,429,000, as at July 1, 1936.

[2] *Financial Statistics of State and Local Governments, 1932*; Summary, pp. 2 and 4, Bureau of the Census; 1934.

[3] *National Income in the United States, 1929-35*, p. 192; Bureau of Foreign and Domestic Commerce, 1936.

In this connection the subject of "state-collected locally shared" taxes is one for careful definition and consideration, both in compiling and using the bureau's reports. If the allotment by the state is on a basis differing from that of collection of the tax, is it not a grant-in-aid? A state gasoline tax of three cents per gallon paid by the consumer, but distributed to local governments upon the basis of miles of improved highways, for example, is reported by the bureau as a grant to the city rather than a tax.

An allied problem requiring careful consideration is that of state payments for certain activities, such as mothers' pensions, old-age assistance, etc. If the law requires that the state contribute a definitely fixed amount per capita, or stated percentage of the total cost of the activity, the amount of the state's payment to any city is not reported as a revenue-receipt; nor is the expenditure by the city of the amount so received by the state included as a cost-payment. The receipt and disbursement of this state money is considered an "agency" transaction only, as a non-revenue receipt and non-governmental cost-payment. Recent reports of the bureau have not included a report of these agency transactions because of restricted funds for printing.

Tax limitation laws will tend to increase the extent to which states must contribute to the cost of local government, either by taxes or grants to local units or by assumption of administration of the activity or a share of the cost—and undoubtedly this participation will result in further supervision and control by the parent government.

What is the trend of revenues? Figures for two intervals are offered for comparison. For 1926, revenue receipts were $2,332,000,000, or $69.20 per capita. For 1930, the total was $2,819,000,000, or $77.34 per capita. In 1926, general property taxes comprised 63.9 per cent of the total; in 1930, 63.8 per cent; and in 1934, 62.6 per cent. These figures indicate the upward trend of revenues needed, with some recession during the depression. Grants-in-aid have mounted suddenly, from $89,000,000, or 3.8 per cent, in 1926, to $330,000,000, or 12.2 per cent, in 1934, denoting a new trend in federal-state-local government relationships. Grants are now being received for public works, education, welfare, and social security, as well as highways, with slum clearance and housing in the offing.

GOVERNMENTAL COSTS

And what of the cost of government? It is necessary in considering this question to analyze the problem and figures carefully. A city's total expenditures may include—and usually do—current operation not alone of general tax supported departments and activities but also utilities that are wholly or partially self-supporting; also interest on the city's bonds and other indebtedness; and, finally, capital outlays. Expenditures for capital outlays are reported by the Bureau of the Census in the year made, classified by the type or character of outlay; therefore, the principal amount of debt retired each year is not reported as a cost-payment.

Stated summarily for the four general classes of expenditures, the 1934 figures of governmental cost-payments total $2,523,000,000, classed as follows:

Operation and maintenance of general departments .	$1,745,000,000
Operation and maintenance of public service enterprises	120,000,000
Interest	353,000,000
Capital outlays	305,000,000

As capital outlays may be—and usually are—financed from other than current funds, and the expenditures may range substantially from year to year for any city, or in any given year among cities, it is held by the bureau to be undesirable to publish per capita figures including such outlays. Exclusive of outlay payments, therefore, the bureau report shows operation and maintenance and interest totaled $2,218,000,000, or $59.01 per capita. This was an aggregate of $493,000,000 less outgo than revenue receipts for all cities, and more specifically, the report shows that only four cities reported an excess of payments for these purposes over their revenue receipts.

Comparatively, the total payments for operation and maintenance and interest in 1926 were $1,776,000,000, or $52.69 per capita, with an excess of $557,000,000 over operation, maintenance, and interest. In 1930, revenues were $2,220,000,000, or $60.89 per capita, with an aggregate of $599,000,000 less outgo than revenue receipts, only two cities reporting an excess of payments for these purposes over their revenue receipts.

The largest class of expenditures is, of course, for operation and maintenance of general departments. These expenditures are reported by the bureau in nine classes: general government; protection to life and property; conservation of health; sanitation; highways; charities, hospitals, and corrections; education; recreation; and miscellaneous. Each of these is further broken down into the chief divisional or functional classes in the report, which will not be set forth here.

Suffice it to state, however, that with the "local option" existing in our cities regarding the nature and extent of their classifications and records, the bureau finds it necessary to spend much time in recasting local accounts to conform to the bureau's classifications. This is not to disparage the kind of local records maintained; instead, local financial officials coöperate cordially with the bureau, and many of them have requested the bureau to supply its official classifications in order that they might adopt them. In the states maintaining supervision over the accounting procedures of local units, much progress has been made to this end. It should be mentioned that the work of the National Committee on Municipal Accounting[4] undoubtedly will result in further definite accomplishment of the desirable objective of uniformity in classifications and reporting.

Citing only briefly the data on costs of general government, the comparative per capita figures are quoted in the accompanying table (page 135).

As a single suggested topic of interest, the trend of expenditures by major functions would be a rich field. What is happening in protection, education, welfare, costs—quite apart from the set-back in general upward trend during the depression?

DEBT

Turning briefly to debt, it is found that the gross indebtedness—funded and unfunded—of the ninety-four cities as at the close of their fiscal year 1934 was $8,477,000,000, or $225.53 per capita. This total includes $2,680,000,000 for public service enterprises, which are largely self-supporting as to debt service charges. Net debt, however, was only $6,380,000,000, or $169.76 per capita. It is impossible to report separately the net debt to be retired from taxation, as the cities' records of sinking funds are not invariably segregated to show public utility assets.

As at the close of 1926, gross debt was $6,448,000,000, or $191.32 per capita, of which $1,083,000,000 was for public service enterprises. Net debt

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[4] See "Municipal Accounting Statements" by the National Committee on Municipal Accounting, 850 East 58th Street, Chicago, published in 1936.

		1926	1930	1934
I.	General government—mayor, council, treasurer, finance, assessing, courts, elections, etc.	$3.67	$4.34	$3.61
II.	Protection to life and property—police and fire departments, building inspection, etc.	8.30	9.47	7.95
III.	Conservation of health—control of communicable diseases, medical work for school children, food inspection, clinics, etc.	1.02	1.22	1.13
IV.	Sanitation—refuse collection and disposal, street cleaning, sewage disposal, etc.	3.19	3.52	2.44
V.	Highways—highway maintenance, snow removal, street lighting, etc.	3.80	3.96	2.97
VI.	Charities, hospitals and corrections—care of poor—outdoor relief, care of children, general hospitals, corrections for adults and minors, etc.	2.57	3.66	9.18
VII.	Education—schools and libraries	15.20	17.10	14.56
VIII.	Recreation—educational recreation, parks and trees, etc.	1.45	1.76	1.29
IX.	Miscellaneous—pensions to police, firemen, teachers, etc.; mothers' and soldiers' and sailors' aid, undistributed, etc.	2.04	2.61	3.30
	Total	$41.24	$46.43	$47.64

was $4,490,000,000, or $133.21 per capita. At the end of the fiscal year 1930, the gross debt was $8,635,000,000, or $236.87 per capita, with $2,554,000,000 public service enterprise debt. Net debt was $5,820,000,000, or $159.65 per capita.

These figures invite many questions as to each city's debt-incurring and retirement policies which, however, are left to the reader to raise and answer. The annual payments for interest on this debt suggest the desirability of a pay-as-you-go policy, especially for recurring and minor outlays. The trend of debt, however, appears to be ever upward regardless of conclusions upon such policies.

ASSESSED VALUATION

A final subject for summary reference is assessed valuation of property. Here the problem arises of how many different valuations are made in the city in a single year for city, school, county, and state taxes. Only the valuation of city property for city taxes is here considered, however. The total for all cities for 1934 was $57,296,000,000, or $1,524 per capita. This figure, however, does not reflect the effective ratio of assessed to true value, which varies widely from 100 per cent in many cities. Of the total, $49,891,000,000 was real estate, and $7,405,000,000 personalty. Not all this property, of course, paid the full rate of taxes, the report showing the exact rates and levies in all cities and for all purposes. A total levy of $1,773,000,000 for the year was made, or $47.16 per capita.

Comparable figures for 1926 were a total valuation of $57,248,000,000, or $1,699 per capita, and a total levy of $1,750,000,000, or $51.93 per capita. In 1930, the valuation was $71,339,000,000, or $1,957 per capita. Of this total $59,533,000,000 was real estate, and $11,806,000,000 personal property. The total levy made that year was $2,172,000,000, or $59.57 per capita. Here again, as in the other financial data, the economic effects of the depression are clearly reflected—to the handicap of the revenue-raising officials of the cities.

These are the high spots of the bureau's annual compilation. Until 1932 the bureau included all cities over 30,000 population, and also compiled a separate annual report of the financial statistics of states. It is hoped that legislation, accompanied by the necessary appropriation by Congress, may enable the bureau to restore its more extensive coverage, which was interrupted by the necessity for retrenchment. A widespread demand for data of both states and cities exists, by taxpayers and citizen agencies on the one hand and by federal departments on the other.

In the compilation of the statistics many problems arise, and these are being given consideration constantly by the bureau. One particularly insistent urge is that the data be presented more nearly currently. The time schedule has been stepped up, but there must always be a spread between the close of the city's fiscal year and the time the books are available to census field men. Further, the report cannot be closed until the last city is in, and the tabulations for all cities compiled—and, too, pressure upon the government printer requires that this report take its order of precedence with the many other federal publications.

Modern tendencies in sources of revenue, such as income and sales taxes and grants-in-aid coming to the relief of the general property tax, necessitate revision of the schedules each year. Similarly, the effect of the varying agencies—federal, state, and local—set up to administer and finance emergency relief, requires careful attention, as does the institution of social security services. The expansion of state legislation to permit municipalities to issue non-tax-retirable "revenue bonds," and the creation of independent authorities with borrowing power, the exemption of homesteads and industrial properties from taxation—these, and other recent trends affecting taxation and debt must be reflected in the reports.

In conclusion, it was the purpose, in presenting this condensed recital of the receipts and expenditures, taxes, debt, and assessed valuation data of the ninety-four cities, to indicate the value of the report to everyone—to the administrative official, the urban legislator, the taxpayer, and the student of city government. A comparison of the data over a period of years for any city, or for several cities of comparable economic and social conditions, will afford an indispensable background in forming conclusions about the conduct of the city.

LONDON COUNTY COUNCIL

(Continued from Page 126)

is precluded from obtaining any measure of municipal socialism, but it has gained something in popular confidence by administering London affairs with skill and efficiency, and has alleviated some suffering in the poorer districts by its more liberal policy in the social services. The real issue before London electors on March 4th was: Are the augmented services furnished by the Labor Council majority worth the extra money which they have cost? The electorate has rendered its verdict in the affirmative.

HOUSING INSPECTION

(Continued from Page 128)

Housing administration unquestionably constitutes one of the great challenges to city government in America. The days of the politically appointed housing inspector and the lay sanitary inspector must be numbered if housing administration is to accomplish the social purposes of housing laws.

LETTERS TO THE EDITOR

To the Editor of the National Municipal Review:

I think you will be interested in one of the events of my five weeks' lecture trip to the west coast, where I was on one of the new public forums. Naturally, all my subjects were on local government, and the local situation was considerably stirred up. I had some twenty engagements outside of the regular program, but the prime one, which is the cause of my letter, was a "debate" on manager vs. commission government, in the council chamber at Portland on December 23rd. I debated with the mayor and two of the commissioners. As you probably know, Portland has the commission plan. The affair was arranged by the editor of the *Portland Journal,* who presided. The interesting part to me was the fact that it took place. I don't know where a similar debate could be held east of the Rockies.

The publicity was aplenty, but was added to by the refusal of the commissioner of public affairs to allow the use of the hall for the night. He had the bureau of city property under his control. His reasons were that I "knew nothing about government," and came "west to grind an axe in placing trained men in governmental jobs." The mayor has power under the charter to transfer bureaus, so he transferred this one to himself a day or two before the party. Naturally the place was packed, although two nights before Christmas. The mayor started the versus part of the debate, and his subject turned out to be "How My Administration Saved a Million and a Half." He said quite frankly at the beginning that he did not intend to argue either way on the main question. The two commissioners followed suit—about 90 per cent. There was very little rebuttal, because there was very little to rebut. The public was left about five minutes for questions, and the first one was, "Will the chairman give the audience a chance to vote by show of hand as to who won the debate?" It drew a good laugh and a promise by the chairman to take it under advisement, with a later refusal. Frankly, I was astounded when they told me such a meeting could be arranged, but public interest had been aroused to the extent of four editorials in advance, so it was a very gentlemanly way to draw the thing to a conclusion.

The council stands three to two, as is the case with most commissions that I have known about. Only one of the five has had a training fitting him for his work. The director of works is a graduate architect and civil engineer, and a very good fellow. I believe that both the mayor and the director of works favored the manager plan before their first election, four years ago, but have changed their minds in the meantime. I understand from citizens that the mayor committed himself to the plan several times publicly during his first campaign. Both were recently re-elected.

The editor, who was chairman, announced in the beginning that he was against the manager plan, so I knew where I stood. But the entire affair was most friendly. It made me like Portland very much. I had one audience of about three thousand on career men and public service, so I feel that we may find room on the Pacific for some of our "experts" as they finish. In fact, the director gave me encouragement about placing one for a training period with himself or the mayor.

Sincerely,

Cincinnati Municipal Reference Bureau

Henry G. Hodges

RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmstead

Plans for State Governmental Reorganization.—The proposals for reorganizing the administrative phases of the federal government have their counterparts in several states where administrative reorganization measures are before the legislature. In Tennessee such a bill has just been signed by Governor Gordon Browning, in Connecticut and Texas bills have been introduced, and in Oregon a reorganization report has been submitted to Governor Charles H. Martin. Colorado is reported to be considering general reorganization while Kansas, Georgia, New Mexico, and Washington have bills dealing with welfare department reorganization only. In general, according to Secretary Paige of the Governmental Research Association, state reorganization plans now pending would simplify administrative machinery and concentrate administrative authority and responsibility in a single officer—the governor. Most of them would create the agencies of supervision which a governor must have if he is to discharge his administrative duties properly. They also provide for auditors-general and comptrollers-general to check on the executive and the administrative departments through post-audits and investigations.

The Tennessee measure, first to be carried through, establishes ten state departments, each headed by a single commission to hold office at the pleasure of the governor. All administrative bureaus, divisions, and agencies of the state are placed in some one of these departments. The act provides for a division of personnel in the department of administration. Other provisions include an executive budget, centralized purchasing, centralized accounting, and supervision of local government finance. The comptroller of the treasury, an official selected by the state legislature, is to head a department of audit, which will conduct a post-audit of all financial records and serve as the staff agency of the legislature in making investigations of state finances.

The Connecticut reorganization plan was outlined in this department in February.

A measure was introduced in the Texas house of representatives on January 27, proposing an "administrative code" that would reorganize and simplify the state government. The bill provides for 19 administrative departments, each headed by a commissioner appointed by the governor. Several score of offices and other agencies of the state government would be abolished under the reorganization, and their functions taken over by the 19 departments. The heads of the 19 departments and the governor would form an "executive cabinet," required to meet at least once a month. A unique feature proposed in the bill is the office of "secretary to the executive cabinet," who is to concern himself solely with administrative and operating processes and procedures. The secretary's primary duty will be to provide each succeeding state administration with his accumulated knowledge and experience of the business management and operating program.

Reorganization proposals for Oregon result from a study ordered by the legislature in 1935, which created an Interim Commission on Governmental and Administrative Reorganization. The report of this commission deals primarily with problems of finance and business regulation, public welfare, and conservation of natural resources. The report urges still further research in state administration, and recommends a continuing commission of investigation. Oregon has 81 separate offices, commissions, board, and agencies administering affairs, with several other units operating independently. Under the proposed reorganization, the three separate agencies which now share in the control of state expenditures would be consolidated into one state department of finance, with a director appointed by the governor. Consolidation of the present offices of executive secretary and private secretary to the governor is also advised, with the present budgeting duties of the executive secretary placed in the department of finance. Numerous agencies now concerned with the administration of public welfare activities would be brought into a department of welfare, which would have charge of the administration of all social security measures.

*

Two States Go to Merit System.—Arkansas has achieved the distinction of adopting the first state civil service law in 1937, after a close race with a number of other states considering similar legislation, according to the Civil Service Assembly of the United States and Canada. The Arkansas measure, which provides the tenth state civil service system in the country, was signed by Governor Carl E. Bailey on February 3. It is expected that the legislatures of Michigan, Tennessee, and Connecticut will adopt merit system laws during their present sessions. The Assembly's *News Letter* states that the Arkansas statute "provides for the establishment of a genuine merit sytem which will be free from the handicaps of veterans' preference and rigid residence restrictions. A comprehensive personnel program will be developed to include a classification and compensation plan, a scientific recruiting system, employee training and other constructive in-service activities, and a removal procedure which will protect competent employees against political favoritism and yet facilitate the separation of unsatisfactory workers."

A second victory for better governmental personnel within the first two months of 1937 was marked with recent passage of the Tennessee merit system act unanimously by both legislative houses. Eleven states now have active civil service laws: Arkansas, California, Colorado, Illinois, Maryland, Massachusetts, New Jersey, New York, Ohio, Tennessee, and Wisconsin.

With forty-two legislatures still in session, favorable action on other merit sytem proposals is expected before 1937 legislators leave their desks, according to the Civil Service Assembly of the United States and Canada. Bills have already been introduced in Connecticut, Georgia, Indiana, Michigan, and Minnesota. In Idaho, Maine, and Nebraska bills are being prepared, and in Alabama, Florida, New Hampshire, Pennsylvania, and Rhode Island active interest is reported.

The Tennessee act, like that of Arkansas, provides that the service and facilities of the state personnel divisions should be available, upon request, to local governmental subdivisions of the state. It also strengthens the usual provision for a six months' probationary period for employees by providing that an employee is automatically dismissed at the end of the probationary period unless a written recommendation is made by the department head to the director of personnel to the effect that the worker is to be given a regular position in the civil service.

Employees now in the state service in Tennessee are not to be "blanketed in" under the new system, which is another unusual provision. Those holding positions that will come under the classified service will take qualifying tests which, if passed, will give them a regular status. Employees who do not qualify will be replaced by persons selected through open competitive examinations.

Opportunity for transfer of employees from one position to another or to a higher rank is freely given under the act, upon certification of the director of personnel. Transfer to a higher position necessitates the taking of qualifying tests. This provision follows the recommendation made for the federal civil service in the report of the President's Committee on Administrative Management, that the civil service administrator give particular attention to "the facilities for transfer as a means of utilizing more completely the personnel resources of the government, the development of executives, the promotion system, examinations for higher positions, and coöperation with the personnel agencies of state and local governments."

Single-Chamber Legislature Proposed in Ohio.—A major item in the legislative program of the Cleveland Citizens League this winter will be a constitutional amendment providing for a unicameral legislature and equal representation in that body from all parts of the state. Two years ago there were two unicameral proposals introduced into the general assembly: one by the state committee of the Citizens League, the other by the committee sponsored by the Scripps-Howard newspapers of the state. Neither proposal was approved. An effort is being made to consolidate the two into one amendment so that all groups in the state interested in progressive reforms can coöperate in support of one plan.

*

States Coöperate for Flood Control.—At the third biennial general assembly of the Council of State Governments, which met in Washington January 21-24, the flood emergency in the Ohio Valley received special attention. The assembly approved the creation by the states of commissions affiliated with the council to work with the federal government on a long-range program in line with the 1936 flood control act.

A conference of representatives of the states in the Ohio Valley, called together by Henry W. Toll, executive director of the council, was held in Columbus, Ohio, February 5-6, and resulted in the formation of the Interstate Commission on the Ohio River Basin, which met in Indianapolis, Indiana, February 19-20, to line up collective state forces against future flood disasters and to formulate a sound water policy for the area.

The Washington assembly also took action in favor of four uniform acts for the apprehension, extradition, prosecution, and punishment of criminals; the granting of federal appropriations for the relief of transients and assumption by the federal government of responsibility for old-age benefits for Indians; adoption by the states of uniform laws for handling transients and for the transfer of dependents; and the joint financing by Congress and the council of studies on conflicting taxation by the Tax Revision Council.

Bills providing for commissions on interstate coöperation in general have passed one or both houses of the legislatures of Ohio, Indiana, West Virginia, and New Mexico and have been introduced in Arkansas, California, Colorado, Connecticut, Georgia, Illinois, Iowa, Kansas, Maine, Maryland, Montana, Oregon, Pennsylvania, South Dakota, Texas, and Washington. The Council of State Governments also foresees action in Minnesota, Massachusetts, Missouri, Nebraska, North Carolina, Oklahoma, Tennessee, and Wisconsin.

*

Expert Assistance Towards Improved Municipal Accounting.—The Municipal Finance Officers' Association of the United States and Canada, as announced by Carl H. Chatters, executive director, from its headquarters in Chicago, has established an advisory service in municipal accounting, in coöperation with the state leagues of municipalities and national organizations that want improved municipal accounting and reporting. The municipal leagues now exist in forty states and represent a total of seven thousand cities.

The advisory service will be given at the specific request of any city or village. It will utilize the standards developed by the association's accounting committee and the National Committee on Municipal Accounting. The association staffs will, on request, review the financial reports of local officials and give them a statement of how closely they conform to these standards with a bill of particulars telling how they may be improved.

This action by the association will benefit other movements to improve the accounting and reporting of local governments. The Atlanta *Constitution* has announced prizes totaling $7,500 for the Georgia county making the greatest improvement of benefit to its citizens in 1937. The New Jersey Taxpayers' Association is sponsoring a competition for better municipal reports. The Vermont Chamber of Commerce through James P. Taylor has long been a pioneer in this field. Clarence E. Ridley, editor of *Public Management,* made his tenth annual appraisal of municipal reports in the NATIONAL MUNICIPAL REVIEW in January. His efforts have brought about a marked national interest in the preparation of annual reports understandable to the ordinary citizen.

In addition to offering this service to local finance officers on their special problems, the Municipal Finance Officers' Association has prepared a reading course and study program on municipal finance. From it public officials can increase their knowledge on tax collecting, budgeting, general accounting, and other subjects.

*

Atlanta Surveys Its Financial Troubles. Instead of the mayor's recommendation of an increase of two and a half mills in the tax levy of Atlanta for five years and an additional one and a half mills permanently, the Consultant Service of the National Municipal League suggested that the increase be limited to one mill for relief and one mill for five years for retirement of the city's deficit now financed by scrip.

The Consultant Service, of which Dr. Thomas H. Reed is director, made a careful study of the city's financial situation at the request of the Atlanta Chamber of Commerce. The suggestion that the increase be only temporary is a deliberate challenge to the citizens of the Atlanta area to work out a permanent solution and put their house in order in the next two years. The report presents logical solutions both for the city's immediate financial crisis and its permanent problem. The situation has developed, apparently, because of overestimation of revenues and failure year after year to adjust outgo to income.

Except for the increase in ad valorem taxation, the report approves the new mayor's eight-point program, including: (1) Approval of the refunding of past due bonds now represented by certificates, about $1,300,000, and of approximately $500,000 of the general maturities of 1937, with thirty-year bonds; (2) Refunding of scrip, amounting to $1,600,000, by five-year notes bearing 2 per cent to 2½ per cent interest by a one-mill levy. This would relieve the budget of $27,500 each year; (3) Approval of constitutional amendment giving the city clear constitutional right to borrow in anticipation of taxes; (4) Approval of the proposed charter amendments giving the city home rule power over charges for water and sanitary service, and reserving 10 per cent of all water receipts for extensions, repairs, improvements, etc; (5) Adoption of a charter amendment increasing the limit on business licenses from $300 to $1,000, thus reaching business which does not pay ad valorem taxes; (6) A one-mill tax levy limited to use for relief purposes by the city after deducting the schools' 30 per cent and further limited to 1937 and 1938 only; (7) Immediate restoration of base pay to all employees whose base pay is $1200 or less, costing about $20,000; followed, when results of the new legislation have been proved by a few months' experience and the possible increase in non-tax revenues arising from better business conditions has become fact, by restoration for those whose base pay is $1800 or less, costing another $60,000.

The report insists on limiting the tax increases to an emergency period and strongly urges the need of taking immediate steps toward a permanent solution of the problem so that before the emergency measures expire, the financial affairs of Atlanta and the surrounding area can be put on a satisfactory basis fair to the taxpayers. "While we are prepared to recommend giving the city power to fix water and sanitary service rates," says the Consultant Service, "powers it ought in the nature of things to possess, we are not prepared to recommend increasing the tax rate except as an emergency measure. Other methods for relieving the financial stringency of the city ought to, and we believe can be, worked out without fixing on the taxpayers permanent tax increases which will make an ultimate solution all the more difficult."

Doris Darmstadter

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Manager Plan Developments.—Voters of the village of Middlebury, Vermont, at the annual village meeting, January 20, unanimously adopted a proposal for a town and village manager. The town of Middlebury, in which the village is situated, had previously approved the proposal.

A proposed council-manager charter for the town of Bridgton, Maine, prepared by a committee in accordance with a proposal approved at the last annual town meeting, goes to the state legislature at the present session.

Two counties where the manager plan is a live topic are Chesterfield County, Virginia, and Erie County, New York.

Oxford, North Carolina, is preparing a charter to present to the 1937 legislature incorporating the council-manager form of government. Americus, Georgia, is also preparing a bill for the general assembly to provide the manager form of government. The city council of Cañon City, Colorado, has passed on first reading an ordinance for the adoption of the manager plan, providing for a city manager for a two-year trial period starting April 1. Chadron, Nebraska, on January 26, defeated a proposal to establish a manager form of government by a vote of 772 to 535.

In Colorado the League of Municipalities is sponsoring a bill to permit any city to adopt the city manager plan of government. At present only cities over 2,000 population are entitled to draft their own charters and hence only this group can adopt the city manager plan. Six cities have adopted the plan in this way.

*

Three Municipal Utilities and a City Manager.—The little city of Painesville, Ohio, reports substantial profits for 1936 from its three municipal utilities—water, electricity, and gas; and the Painesville *Telegraph* comments that "the city is fortunate in having as the administrative head of these three plants City Manager Clifford S. Fullerton." Operations of the electric utility, in particular, were so successful that the city council cancelled one month's bills of the patrons of the plant.

*

Information Service and California Cities and Counties.—The League of California Municipalities and the County Supervisors' Association of that state are inaugurating a new service the function of which, according to *Western City,* will be to gather information for the use of city and county officials on all matters of local government administration outside the field of law. Because the new service is to be operated by the joint committee representing the two associations, it will be known as the "Joint Information Service." The executive secretary of the League will serve as the executive for the new service.

*

Commission on Harvard School of Public Administration Reports.—The report of the preliminary investigating commission on the proposed school of public administration at Harvard University, made possible by a gift of two million dollars by Lucius N. Littauer, New York philanthropist, was made public on January 26. The commission is headed by Harold W. Dodds, president of Princeton University and the National Municipal League; the other members are Leonard D. White of the United States Civil Service Commission, Professor William B. Munro of the California Institute of Technology, and Professors Wallace B. Donham, Harold H. Burbank, and Morris B. Lambie of Harvard. Among its recommendations were: that the school should provide a thorough grounding in the fundamental principles and problems of public administration rather than highly specialized preparation for individual branches of public service; that realism rather than theory be emphasized; that high government officials be brought into contact with the student body, which should consist mainly of young men already in government service; that courses should deal with the actualities of politics, administrative problems, economic analysis, the business phases of governmental policy, etc.; and that a year should be spent by the faculty in conferring with federal, state, and municipal officials in the preparation and testing of courses and in collecting instructional data, before any students are admitted.

*

Scholarships for Governmental Internes.—The national Institute of Public Affairs, Investment Building, Washington, D. C., announces thirty graduate scholarships providing for "interneship" training in the federal government, from September 20, 1937, to June, 1938. The recipients will be graduates, endorsed by their colleges, and will serve as full time assistants to government officials, with attendance at seminars, courses and discussions, and personnel supervision by Dr. Henry Reining, educational director of the Institute. Louis Brownlow is president of the latter.

*

Police Training.—The Northwestern University Traffic Safety Institute, Lieutenant Franklin M. Kreml, director, has announced its fifth traffic officers training school, to be held March 15 to 17, inclusive, at Evanston, Illinois; and also that seven police officers, each from a different state, have been awarded fellowships entitling them to a full academic year of resident work at the institute. The fellowships, comprising the total sum of five thousand dollars, were made possible by the Kemper Foundation for Traffic Police Training.

Ohio State University is offering its fifth short course in police administration, at Columbus, during the week beginning March 22. Professor Harvey Walker is director. Both the Northwestern and Ohio State University schools are limited to fifty men.

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Fellowships in Public Administration.—The University of Minnesota announces a limited number of fellowships in public administration, both pre-service and in-service. The training period for pre-service fellows is two years of graduate work, the first being at the university and the second in service in some governmental department. The in-service fellowships will be for one year, and will include the completion of a research project.

*

New President of British Institute of Public Administration.—Sir Josiah Stamp has been elected president of the Institute of Public Administration, of London, England, succeeding Sir Austen Chamberlain, who served as president since 1927, following Lord Haldane. The institute, which dates from 1922, consists mainly of officials of the national and local public services, and provides a meeting ground for the exchange of information, experience, and new ideas in public administration. The new president is one of the original members, has had broad experience in the civil service and also in private industry, particularly as head of the London Midland and Scottish Railway, and is a well known writer and speaker on administrative problems.

Expression of Appreciation

Due to the fact that it has been impossible, as in the case of the American Red Cross and the numerous federal agencies, to personally contact and thank the hundreds of municipalities which offered aid and assistance in the recent flood disaster in the Ohio and Mississippi River Valleys, I have been requested to publicly thank, through all mediums possible, the cities and the officials thereof that came to the aid of the city governments in the flood area.

The city government of Louisville and Mayor Neville Miller are especially anxious to acknowledge the aid of the police officers who were sent to Louisville in response to his plea for help. To those who may not have received a personal acknowledgment of their offer of aid from the city officials concerned let me, through the coöperation of the NATIONAL MUNICIPAL REVIEW and on behalf of the several flooded cities, extend grateful thanks.

The flood is over and, of course, the losses in life and property are tremendous. But they would have been worse if it had not been for the magnificent and splendid coöperation of cities from all sections of the United States.

By direction of the United States Conference of Mayors.

PAUL V. BETTERS,
Executive Director

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

North Carolina—*Debts of Local Units Refunded.*—One of the principal activities of the Local Government Commission during the last four years has been the refinancing of the bonded debt of local units. Its efforts have resulted in reducing the number of counties in default from sixty-two to twenty and the number of defaulting cities and towns from 152 to 83. Moreover, in the course of the years the refinancing will result in a saving of about $36,000,000 in interest. While this achievement must be attributed largely to an extraordinarily favorable investment market, it would hardly have been consummated without the assistance of the state agency.

In the four-year period new bonds amounting to $11,864,000 were issued by the local units and bonds amounting to $32,500,000 retired. There have been no refinancing plans up to the present time providing for a reduction of principle.

Doings of the Legislature.—Two important bills passed by the general assembly, or conceded passage, at this writing, are those dealing with liquor and with social security. The liquor bill provides for a county by county referendum on a system of county-operated liquor stores with partial state control and with the state sharing in the profits. The bill does not require any county to vote on the question of establishing legal liquor stores but permits a referendum on call of the county commissioners or on petition of 15 per cent of the electorate. It does not affect the present liquor stores in seventeen eastern counties granted by local acts enacted by the 1935 legislature.

The social security bill provides that the state and the counties shall share equally in the cost of old-age assistance except that there shall be set up an equalization fund to aid the poorer counties. The program is to be administered by the present state and county boards of public welfare.

As a result of the adoption in November of a constitutional amendment permitting the classification of property for taxation, intangibles will be taxed at low uniform rates and with half of the proceeds going to the state. The state has not shared in the property tax since 1920.

The present legislature followed the example of previous ones and defied the constitution by refusing to re-district the state in accordance with the 1930 census. Redistricting would cause the agricultural East to lose seats to the industrial Piedmont.

A local bill to dismember Avery County, a poor mountain county created in 1911, and restore its parts to the counties from which it was created, was killed in committee. It was a sensible bill, for Avery is the state's youngest county and too limited in resources to justify an independent existence. Another bill providing for an increase in the membership of the Avery County board so as to change its political complexion was reported favorably by the same committee.

P. W. W.

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Kentucky—*Lower Taxes Through Reorganization.*—While county governmental reorganization has suffered a set-back in the repeal of the jailer-sheriff consolidation act, the other four acts sponsored by the Kentucky Tax Reduction Association and enacted into law in 1934 are still in effect and producing desirable results. The county budget law, together with the others, has brought about reduced county expenditures and a debt reduction of $5,280,000 in the last two years.

Other reforms are in the offing. A resolution prepared by the association was adopted by both the house and senate on the closing day of the special session, asking that the legislative council prepare a bill or bills providing for the abolition of the fee system, the abolition of unnecessary county offices, and the merger of overlapping functions of local governmental units.

KENTUCKY TAX REDUCTION ASSOCIATION

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Arkansas—*County Consolidation Proposed.*—Representative Fred Jones of Montgomery County, serving his second term in the Arkansas general assembly, is concerned with a proposal to have a completely new system of counties, reducing the present seventy-five counties to perhaps twenty-five. Lacking this he at least wants the privilege of consolidating his county with one or more neighboring counties. The motive of many citizens in this and other counties of the state in urging county consolidation or authorization for such a move is to seek relief from the pinch of taxes, heavy outstanding obligations, and the cost of maintaining constitutional county officers in a sparsely populated county with very limited revenues.

Counties in some cases could not hold court in 1936 because of exhausted finances. One judge made a public statement of dubious judicial value that court would be held only for those defendants pleading guilty. In Washington County, seat of the state university, one term of the grand jury was passed over for lack of funds.

There is agitation for reform of personnel, reduction of county officers, and consolidation of counties in several counties of the state.

Legislative Reapportionment.—A reapportionment amendment to the Arkansas constitution presented by initiative petition was adopted in the election of November 3, 1936. This is the first reapportionment since 1890. It will make many changes in the representation of the counties of the state. Heretofore mountain counties have been over-represented and the eastern delta country has been under-represented. The reapportionment is mandatory, enforceable in the courts; a board is created to carry out the intention of the amendment. Populous counties which have been greatly limited in their legislative influence will in the future exert their fair proportion of power.

Criminal Law Reform.—An initiated amendment and initiated act passed November 3 assure the state of Arkansas of some important improvements of procedure in the courts.

Henceforth prosecutions may be brought by information as well as by grand jury action. A simplified form of indictment, a milder form of perjury charge, lessening the chance for a plea of insanity, material reduction of peremptory challenges allowed the defense, and a dozen other points of criminal law reform mark the most sweeping step forward ever taken in the judicial history of Arkansas. The attorney-general has estimated that in the one hundred years of state history every county has lost fully a half million dollars from useless technicalities and formalities obstructing justice; he says that a minimum annual saving to the state from the reforms recently enacted will be three hundred thousand dollars. The student of government is even more impressed with the probable elevating of the standards of justice flowing from such sensible reforms. They are long overdue. Credit belongs largely to Robert A. Leflar, professor of law at the University of Arkansas, and to Abe Collins of DeQueen, chairman of the committee which made the investigation preliminary to the circulating of the initiative petitions. It is almost needless to say that the proposed reforms when presented to the lawyers in the state legislature in 1935, were ignored or defeated.

A Business Record in County Government.—The record of the retiring judge of Pulaski County, Arkansas, has been very creditable. Entering office with the county owing approximately a quarter million dollars, he has conducted affairs in such a businesslike way that he leaves office with all obligations met, except for five thousand dollars of outstanding bills, and with $185,558 in the county treasury. Judge R. A. Cook gave the county business methods, collected delinquent taxes, carried on the services of the county, expanded the hospital functions, restored the financial credit of the county, and at the same time reduced taxes 50 per cent.

Spencer D. Albright, *Director*
Arkansas Municipal League

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Oregon—*County Planning Widespread.*—Although the state planning commission was organized barely two years ago, there are now twenty-eight unofficial county planning commissions in the state and they may be given official status by the legislature. Fourteen of the boards presented reports of their accomplishments at a recent meeting of planning officials in Portland. Their activities included the making of base maps and maps showing land ownership, land use, tax delinquency, recreation areas, and mineral and water resources. They also investigated water resources and uses, marginal land problems, transportation, schools, and public welfare.

Clackamas County, pioneer in county planning, stands at the head of the list in accomplishment, with several million dollars worth of WPA and PWA improvements made possible by existence of a previously prepared plan.

Public Administration Clearing House

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Alabama—*Taxes and Fiscal Control.*—Two bills pending in the present special session of the legislature will, if passed, increase county revenues. A prohibition repeal bill which sets up a system of state liquor stores would divide the revenue three ways—60 per cent to the state general fund, 20 per cent to the counties divided equally, and 20 per cent to the municipalities. A bill providing for a 2 per cent sales tax, proposed as a substitute for a gross receipts tax passed by a special session in December, sets aside one-fourth of the proceeds for the counties. Both bills are expected to pass. Another bill provides for the submission of an amendment to the constitution prohibiting the use of gasoline tax moneys returned to the counties for other than road purposes.

The management of county finances is showing marked improvement as a result of the budget control act passed in 1935. This act limits the power and authority of the county boards of revenue to approve and pay claims for current operating expenses in any fiscal year to the income of the county available for such purposes. Another act, which went into effect October 1, 1936, provided for the establishment and maintenance of a uniform system of accounting and reporting in all the counties.

Consolidation of Offices Defeated.—Two proposed amendments to the constitution affecting particular counties were defeated by substantial majorities at the November general election. One provided for the consolidation of the offices of tax assessor, tax collector, treasurer, and license commissioner of

Jefferson County into the single office of county comptroller. It was estimated that it would result in a saving of $50,000 annually. County office-holders throughout the state waged an intensive fight against it. The other proposed amendment would have taken the tax collector, the tax assessor, and the probate judge of Limestone County off the fee basis and placed them on a salary.

Charles W. Edwards
Alabama Polytechnic Institute

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Missouri—*Would Merge Three Counties.*—A movement to consolidate Iron, Madison, and St. Francois Counties, according to the *Kansas City Times,* has been inaugurated by the Arcadia Valley Enterprise, following the defeat of a proposed bond issue to build a new Iron County courthouse. It is now proposed to have the three counties use the St. Francois County courthouse at Farmington. The people of the three counties have already been brought into close relationship by good roads and it is believed that a merger would greatly reduce the cost of government.

County Consolidation Proposed.—Governor Park in his message to the legislature recommended the consolidation of several of the smaller counties into one in order to save the taxpayer so much expense for salaries of county officials. The state has 114 counties many of which are small and with a very limited assessed valuation.

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Colorado—*Consolidation of Counties Proposed.*—A bill introduced into the general assembly would consolidate the sixty-three counties of the state into not more than twenty-five. A similar bill was introduced two years ago, but was defeated by the representatives from a bloc of small counties. Proponents of consolidation are more hopeful this time because the need of additional taxes for pensions and relief is prompting business men to seek this money from a revision of the governmental structure.

Another bill provides for the consolidation of the state's more than two thousand school districts into not more than one for each county. Another would consolidate district and county courts. Still another bill provides for a comprehensive reorganization of the health agencies under control of the state board of health. Each county would create a new county health board and levy a special property tax to finance the health work.

Adapted from *Denver Post*

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Georgia—*Efforts to Effect Consolidation Blocked.*—Efforts in Atlanta to effect a consolidation of overlapping city and county departments appear to have been blocked by the refusal of the legislative delegations from Fulton and DeKalb Counties to sponsor enabling amendments. Recently the DeKalb legislators warned that they would fight any attempt to amend the constitution so as to allow consolidation of any governmental functions that would affect that part of the city of Atlanta which lies in DeKalb County.

At present, the constitution states that mergers cannot be effected where the city lies in more than one county.

Adapted from *Atlanta Constitution,*
January 28, 1937

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Minnesota—*Savings Through School Consolidation.*—Lake County in northeastern Minnesota has but one school district with all of its schools under one board of education, and it has proven over a period of seven and one-half years that it can operate for less money and give the children better educational opportunities under this system than it was possible to do under the old district system.

Lake County is a large county, sparsely settled, and has a very low taxable value. At one time there were thirty-seven rural schools outside the city of Two Harbors which is the county seat. Today there are but eleven schools operated outside the city. This has been made by substituting transportation or board and room where transportation is impossible.

For the school year 1928-29, which was the last year the old district system was in operation, the total cost of operating the schools in Lake County (all costs except capital outlay and debt service) was $183,794.13. Under the county system in 1935-36, which is the year just ended, the total operating cost was $145,638.47. This represented a saving to the taxpayer of $38,155 or about 21 per cent without reducing salaries or curtailing on any educational service.

Adapted from C. E. Campton in
The Municipality (Wisconsin)
February, 1937

Pennsylvania—*Reorganization of Philadelphia in Prospect.*—A resolution passed by the legislature in 1935 and which will undoubtedly be passed again in the current session provides for a constitutional amendment authorizing the consolidation of city and county governments in Philadelphia. If the resolution passes this year, it will go before the voters in 1938 and, as both parties are pledged to consolidation, it should be approved. Then there will be a need for a new city charter. A group in the legislature is properly insisting that before a new charter is framed, city and county governments should be very thoroughly investigated in order that the new basic law will meet the necessary requirements.

Adapted from *Philadelphia Public Ledger*,
January 14, 1937

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California—*County Consolidation Proposed.*—A county consolidation bill has been introduced in the state legislature. It is an enabling act which would permit two or more counties to consolidate with the approval of the majority of the voters of each county involved. The Hearst newspapers for years have urged county consolidation in California.

TAXATION AND FINANCE

Edited by Wade S. Smith

Debt Control for New York Cities Proposed.—Creation of a state commission to supervise the debt expenditures of local municipalities in New York State is proposed by the New York State Commission for the Revision of the Tax Laws in a recent recommendation to the state legislature. The chairman of the commission, former State Senator Seabury C. Mastick, points out that in view of the substantial portion of local budgets which goes for debt service, debt control is a feasible and far more practicable approach to tax control than the over-all tax limit panacea.

Under the control scheme, all municipalities proposing to issue new bonds would be required to submit their proposals to a municipal finance commission. If the existing and proposed debt, including all overlapping burden falling upon the taxpayers of the unit, was 10 per cent or less of assessed valuations, the issue would be permitted. If the contemplated over-all debt burden exceeded 15 per cent of assessed valuation, the finance commission would have discretionary powers in connection with the issue. But if the over-all debt burden was 20 per cent or more, the commission would have no option but to refuse sanction for the new issue. These ratios of over-all debt valuation are generally regarded as indicative of the relationship of debt burden to future safety of operations, a debt burden less than 10 per cent of true value being generally considered conservative, one from 10 to 15 per cent in the dubious range, and any over-all debt in excess of 15 per cent probably indicative of future difficulties and possible default in time of economic stress. If anything, therefore, the commission is unduly generous to the municipalities in permitting over-all debt to 20 per cent.

In addition to its debt restricting powers, the finance commission would have the authority to review any municipal budget on petition of a small percentage of the taxpayers of the unit.

While the New York proposal represents a considerable change over the present lack of state supervision of local debt and budgets, it is at the same time much less comprehensive in scope than a debt and budget control program already in effect in neighboring New Jersey. In New Jersey, under a law adopted last year, budgets of 1937 and thereafter of all counties and municipalities must be submitted for approval to the state auditor, who functions in this respect as a supervisor of municipal finance. Also, under the New Jersey bond law, proposed bond issues must be submitted with a financial statement to the state auditor, and if the net direct debt is in excess of the legal debt limit (7 per cent of average assessed valuations for the previous three years) new debt may be incurred only within the range of 60 per cent of retirements since February 1935. The New Jersey debt control statute thus insures a declining debt burden for those units whose net debt is in excess of the limit. The schedule does not include overlapping debt, as does the New York measure. And overlapping debt is sometimes nearly as burdensome in its effect on taxpaying capacity as direct debt.

The debt supervision and budget review recommendation of the New York commission is presented in line with previous proposals for the tightening of municipal fiscal control in the state, and coincides with a determined attack on the legislature by realty interests for a 1.5 per cent over-all tax limit. A resolution already introduced in the legislature would establish, by constitutional amendment, that taxes against any parcel of realty, for all purposes and by all units, may not exceed 1.5 per cent of assessed value plus debt service on funded debt obligations for permanent improvements. The Tax Revision Commission, State Conference of Mayors, and others are joining in opposing the constitutional limit and urging expenditure control legislation instead.

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Few Defaults to PWA.—A surprisingly small amount of municipal securities have been in default under PWA loan agreements, recent data released by the Public Works Administration indicates. As of December 31, 1936, PWA still held $108,000,000 of municipal obligations, of which only $636,000 was in default on principal aggregating $7,424,000 par value. Considering the almost indiscriminate credit risks which it was necessary for the PWA to assume in furtherance of its project policy, the default record does not seem unfavorable. Of the total in default, $271,000 is in bonds and coupons on forty-two issues which the borrowers are entitled to have cancelled in final settlement of grants, while $219,000 represents defaulted principal on 118 issues of revenue bonds the projects for which are not yet earning.

PWA holdings of municipal bonds as of December 31, 1936, consisted of $33,000,000 of general obligations, $71,000,000 of revenue bonds, and $4,000,000 special obligations. In addition, the RFC held $67,000,000 municipal bonds purchased from the PWA and not yet resold, while the PWA held $25,000,000 of non-municipal bonds, mainly railroads. Since the inception of the works program, PWA had taken in on loans a total of $615,500,000—municipals, railroads, etc. It sold to the RFC $276,500,000 of municipals and $195,000,000 of railroads, with a profit to December 31, 1936, of $9,706,000 and interest of $18,173,000. The PWA loans represent 40 per cent, later 45 per cent, of the costs of projects, and do not include outright grants.

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Slightly over a billion and a half dollars of municipal (state, county, district, etc.) securities were held by the 5,374 national banks in the United States as of June 30, 1936, according to a recent report of the Comptroller of the Currency. The figure represents a $315,000,000 increase over June 1934, and totals about 37 per cent of the amount of securities exclusive of United States government obligations held by the national banks. As of June 30, 1936, all banks—national, state, commercial, saving, and private—held $3,600,000,000 of municipal securities, according to the report.

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While Texas considers raising its homestead exemption from $3,000 to $5,000 under a proposed constitutional amendment, the Oklahoma legislature acts under an amendment ratified last November to set the exemption in that state at $1,000, where it must remain for twenty years. Texas' present exemption applies only to state taxes, but the new proposal would cover county, city, school, and special district taxes as well. The amendment would be subject to referendum.

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With Chicago facing employee suits totaling $22,500,000 for pay restorations, numerous Illinois municipalities have moved to restore pay reductions. Rockford increased its payroll 10 per cent, Moline restored salaries, Peoria restored all salaries and increased firemen over their former level, Rock Island firemen and policemen after receiving restoration are fighting for a 10 per cent increase. Matoon employees got their restoration via the suit route, while the Elgin council turned down a demand of firemen and policemen for a return of their 15 per cent cut. And in Woodstock, Mayor William Burns vetoed an ordinance raising the pay of the aldermen and himself.

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Considerably higher yield will be experienced from a proposed amendment to the Minnesota state income tax law, which will double and treble existing rates, bringing the tax on given incomes to from half to one-third of the federal figure. If it had been in effect for 1935 incomes, the collections would have been increased from $4,900,000 to $11,200,000.

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A direct charge on sewer users to cover sewer costs and debt service and thus relieve the general fund of $700,000 annually is proposed by the Providence Governmental Research Bureau as a method of putting relief expenditures on a pay-as-you-go plan for that city. Release of the sewer expenditure from the general fund, plus the tax funds now being spent on relief, would provide approximately $1,000,000 to be applied to the city's relief bill.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

Pittsburgh P. R.—Manager Bill Passes House.—On February 17th the Pennsylvania House of Representatives, passed unanimously the optional P. R.-city manager bill for Pittsburgh. The bill had been introduced on January 25th by Representative John J. O'Keefe, leader of the Allegheny County delegation in the house. It was sponsored by the Democratic organization, which now controls the state legislature as well as the city of Pittsburgh, and seemed scheduled for prompt passage in both houses, but at this writing there are reports of delay and possible opposition in the state senate.

The bill is modeled closely on the bill drafted some years ago by a committee of eminent Pittsburgh lawyers with the aid of the Proportional Representation League and introduced in former sessions by Senator Frank Harris, independent Republican, and Representative John J. Kane, Democrat, now county commissioner. It provides for a city manager appointed for an indefinite term by a council of nine elected from the city at large on a nonpartisan ballot by the Hare system of P. R. The question of adoption could be put on the ballot at any time by petition or by resolution of the city council. If the plan should be adopted at a special election this summer or late this spring as suggested, five councilmen would be elected by P. R. at the regular election next fall for a term of two years. They and the four hold-over councilmen whose terms expire two years later would appoint the first city manager next January. In November, 1939, all nine of the councilmen would be elected together by P. R. for the first time and would serve for the regular term of four years. The manager would be removable by the council at any time.

The Civic Club of Allegheny County is protesting against a requirement that the manager be a resident of Pittsburgh and the League of Women Voters against this restriction and against the appointment of the first manager by a council with four hold-over members; but these organizations and many others, including both the Chamber of Commerce and the Central Labor Union, have been supporting the other features of the bill for years. All three newspapers have regularly supported the optional P. R.-manager bills of former sessions. If the O'Keefe bill passes the senate and is signed by Governor Earle, the plan's adoption by the people seems highly probable.

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Philadelphia Too?—The Philadelphia City Charter Committee had just prepared its optional P. R.-city manager charter for reintroduction, providing for a referendum next year and the first P. R. election the year after in case of a favorable vote, when a dramatic turn of events made possible the first use of P. R. in Philadelphia as early as next fall.

On February 10 Mayor S. Davis Wilson, elected as a Republican in 1935 along with the usual solid Republican city council, announced that he favored cutting short the term of council by two years and electing an entire new council by P. R. next fall. Philadelphia Republican leaders at first professed to believe it was all a joke, but the mayor repeated and emphasized his statement.

"I was very much in earnest," he is quoted in the *Philadelphia Record* of February 11th. "I favor a city legislative body elected on a basis of proportional representation next November. Under my proposal the present council would go out of office next January. I see no reason why members of the present council, if they desire to hold their jobs, should not be willing to go before the people next November. It is my contention that Philadelphia should have a legislative body elected without regard to party labels. Every group in the city should be represented in city council."

The mayor's proposal was made at a conference in Harrisburg on Philadelphia legislative matters with Jack Kelly, Democratic leader of Philadelphia and the mayor's opponent in the last mayoralty campaign. Mr. Kelly promptly gave it his hearty approval, which should in the present circumstances be sufficient to secure the necessary legislation from the Democratic legislature. Democratic support should be whole-hearted—the present council contains only one Democrat (elected recently to fill a vacancy) out of a total of 22, although the Democratic mayoralty vote the day of the last council election was 333,811 to 379,299 for the Republicans. No other Democrat has ever been elected to the Philadelphia council since the present charter was adopted in 1919. The drive for P. R. in Philadelphia has come not only from Democrats, however, but even more from independent Republicans, who have been almost as thoroughly excluded from representation as the minority parties.

A few days after his first sensation Mayor Wilson caused another by announcing, on February 14th, that he would urge legislation to give Philadelphia the city manager plan. Since the P. R.-manager combination is exactly what the City Charter Committee has been urging before each legislature since 1929, its secretary, Thomas J. Walker, promptly offered its coöperation. We hope to have further news next month.

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A Hearing in Boston.—The cities committee of the Massachusetts legislature will hold a public hearing March 4th on house bill No. 1409, by Representative Christian A. Herter of Boston, the optional P. R. bill referred to in this department last month. The bill provides that any city, including Boston, or any town may adopt P. R. for any municipal body or the corresponding Hare system of majority preferential voting for any single elective officer by a 10 per cent petition and popular vote. Mr. Herter is the Republican majority leader of the house. The senate sponsor of the bill, Senator Joseph R. Cotton of Lexington, is the Republican majority leader of the senate. As reported last month the Massachusetts legislature also has under consideration a bill by Representative Rufus H. Bond of Medford to permit any city to adopt the combination of P. R. and the city manager plan by petition and popular vote.

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P. R.-Manager Drive in Chicago and Illinois.—A promising civic movement for adoption of the city manager plan with proportional representation is developing in Chicago and extending to downstate communities. A bill has been prepared for introduction in the Illinois legislature under the leadership of the Chicago City Club. This bill would make the city manager plan available by a one per cent petition and popular vote in any city or village in the state. The council which chose the manager would be elected from the city at large on a nonpartisan ballot. It would consist of nine members in any city with a population of 500,000 or more (Chicago), of seven members in any city or village of 50,000 to 500,000, and of five members in any city or village of less than 50,000. It would be elected by P. R. if the question of adopting P. R. were separately submitted and approved, otherwise by majority vote with nominations by petition and a run-off election after the regular election for those members who did not receive a clear majority at the regular election.

An Illinois Council-Manager Conference has been in existence since last June and now has more than a score of coöperating nonpartisan civic organizations in Chicago and in increasing number from other parts of the state, according to the *Chicago City Club Bulletin.* There is also a special Chicago City Manager Committee.

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P. R. for Presidential Elections.—On February 15th Congressman Clarence F. Lea of Santa Rosa, California, introduced again his resolution to apply the proportional principle to the electoral college. The resolution was reported unanimously by the House Committee on Election of President, Vice-President and Representatives in Congress in the session of 1933-34, but never came to a vote because of the pressure of other business although President Roosevelt let it be known that he favored it at that time. This year the resolution is known as house joint resolution 223 (75th Congress, 1st session). It was referred to the same committee.

Mr. Lea's proposal would abolish personal presidential electors but keep the presidential votes of each state on the present basis of apportionment. These votes would not go in a block to one candidate as at present, however, but would be divided among the presidential candidates in exact proportion to their popular votes within the state. If one candidate polled 24/47ths of the New York presidential vote, for example, and another candidate 23/47ths, the first candidate would get 24 of the state's electoral votes instead of all 47 and the second would get 23 instead of none at all.

This would make all the votes of each party count instead of only those in states which it carried and would make the election of the wrong candidate (which has happened three times already) much less likely than at present. The plan is considered more practicable than direct popular vote because it does not interfere with the slight electoral advantage of the smaller states. These states could block the adoption of any constitutional amendment which sought to take this advantage from them.

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A New P. R. Suit in New York.—The attack of Assemblyman E. S. Moran of Brooklyn on the constitutionality of P. R., reported in our last issue, was evidently considered premature by the Democratic organization leaders who had tried unsuccessfully to defeat P. R. last fall at the polls. After the first case had been argued before Supreme Court Justice Brennan in Brooklyn and before the judge had rendered a decision, a new action was brought by a group of eleven well known citizens of the five boroughs, most of them prominent Democrats, before Supreme Court Justice Church in Manhattan. This was a request for a mandamus to restrain the board of elections and the city clerk from taking any steps to put P. R. into effect for the election of councilmen in November.

The petitioners include four members of the Smith charter commission of 1934, which decided by a divided vote to submit P. R. before it was abolished and replaced by the Thacher charter commission which actually submitted it. They also include Mr. Moran.

The case was argued before Justice Church on February 25th, first assistant corporation counsel William C. Chanler defending P. R. on behalf of the city and Abraham S. Gilbert, former chairman of the New York County Republican Law Committee, making the argument for the attack. All five of the Democratic county organizations joined in the legal attack on P. R. and the Republican organizations of Brooklyn and Manhattan intervened in support of its constitutionality. It is expected that the case will be taken promptly to the court of appeals as soon as Judge Church makes his decision.

CITIZENS' COUNCILS

Edited by Geneva Seybold

Montclair Association.—In Montclair, New Jersey, a beautiful suburb some twenty miles from New York City, citizens of high standing are actively interested in their town government. The mayor of the town is the president of McCutcheons', one of the oldest and best known department stores in New York City; the commissioner of revenue and finance is treasurer of the Seaboard Oil Company; the director of public safety is an eminent counsel, specializing in international law; the director of public works, a consultant engineer, is president of the New York Title Insurance Company and president of the Merchants' Association of New York. That men of this calibre are willing to give of their time to the administration of community business indicates a civic consciousness only too seldom found in American cities.

That the man on the street in Montclair possesses a surprising amount of information regarding his local government is not happenstance. Largely responsible is the fact that Montclair has a citizens' council, the Montclair Association, which helped place good men at the head of the government and is now coöperating with them to improve the administration of local affairs.

Montclair has had the commission form of government for about twenty years. As in many other communities machine politics had crept in until a group of politicians was running affairs to suit ends which by no stretch of imagination could be identified with the best interests of the whole community. In 1933 a small number of men who were meeting regularly for economic discussion, inspired by Charles P. Taft's book, "The Cincinnati Experiment," believed a renaissance of Montclair government might be effected through adoption of the city manager plan. A petition for the plan was circulated, a campaign organized, and for a few weeks the ordinarily peaceful little town seethed with excitement.

While most of the area of Montclair is devoted to homes of commuters, there are congested quarters in which there is a large population of Italian factory workers and Negroes. Here the machine was strongly entrenched and here the fight was most bitter. When the votes were counted it was found that the manager plan had lost by the narrow margin of 201—a total of 13,229 votes were cast.

The morning-after stock-taking by those who had worked for manager government was anything but pessimistic. "Even if you fail once," they agreed, "you *can* beat the machine."

According to the law another petition for adoption of the plan could not be filed for two years. The intervening time, it was decided, should not be wasted in marking time. They could try to improve administration within the framework that they had. They would attempt to induce men of excellent qualifications to serve on the commission, try to get the public to understand the problems confronting the commission, and work with the elected officials in solving them. With the expressed objectives of "Better government under the commission form and the ultimate adoption of city manager," the Montclair Association as a nonpartisan civic body renewed its lease on life and outlined definite steps in its new program.

The association prepared a nonpartisan ticket for election of the five commissioners in the fall of 1936 and four of its candidates were elected. Committees of the association were formed to coöperate with the commissioners in studying the functions of government and administrative methods and possibilities for improvement. As a medium for transmitting the committee findings to the citizens of Montclair a fourteen-page bulletin called *Montclair Matters* was started. Edited by Harold Braddock, a prominent public relations counsel whose early experience had included many years of newspaper work, this publication is one of the liveliest and most informative publications issued by a citizens' organization in the country.

The first issue was on the water supply in Montclair. "When You Turn on Your Faucet," "What Price Water Plant," "How the Water Gets to Your Faucet," and "Underground Uncertainties" are typical of the captions under which the town's water system is explained in simple, popular style. Pointing out the shortcomings resultant from the absence of a master plan, the study concludes with an explanation of steps that the commission is taking to put the present system on an economical and efficient basis.

An issue of the bulletin on town planning emphasized the false economy in failure to adopt a town plan, showing by specific example problems of planning in Montclair and suggesting methods for handling them. Another issue on "Our Money's Worth" analyzed Montclair's 1937 budget, breaking down costs according to services rendered by the government. A committee of the town's leading insurance men is examining the insurance methods of the town and their report will provide the subject matter for a bulletin in the near future. There will probably be an issue on the administration of welfare and relief, another on tax assessment and collection. A page of municipal news keeps the citizen informed regarding the most important actions taken by the town commission. Maps and illustrations add to the attractive appearance of the bulletin.

Montclair Matters is sent to all members of the Montclair Association and to about five hundred who are not members. The regular membership fee of the organization is one dollar a year. The association has approximately two thousand members at present.

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Eastport Civic Association.—"With a citizens' council a community is prepared to sound and express public opinion quickly. When there is no existing organized civic body, each time an issue arises it becomes necessary to organize hurriedly for the purpose of sponsoring or protesting the contemplated action. Considerable valuable time is thus wasted. The citizens' council provides a 'standing committee' ready for any emergency."

In these words Allan J. Lamb, secretary of the Eastport Civic Association, recently expressed what he considered an important advantage of the existence of a citizens' council in any city and specifically of the Civic Association to his own Maryland community. In the four years of its existence the nonpartisan Eastport Civic Association has amply demonstrated its value as a clearing house between the citizens of the community and the local governing officials. A résumé of a few of the matters with which it has concerned itself indicates its wide usefulness.

The association went on record as being opposed to annexation of Eastport to Annapolis and studied the question of incorporation. It initiated a request for improved postal service for Eastport, advancing plans for a branch post office in Eastport and extension of city delivery service for the improved areas in the outlying sections; worked for a reduction in the local gas and electric rates; sponsored a "clean-up week"; requested the county commissioners to include in their estimate under a public works project an item to cover construction of a badly needed new bridge; was successful in having the Congressional Committee on Rivers and Harbors approve one of the local waterways for deepening and widening; secured the services of a state trooper to aid in traffic regulation during summer months; and opposed a special privilege tax bill for the county.

The association coöperated with WPA officials in having sidewalks laid in Eastport, endorsed plans for a local airport, opposed beer establishments being set up in residential areas, endorsed an old-age pension system for the state of Maryland, and a firemen's relief bill. A set of traffic regulations submitted by the association to the board of county commissioners was adopted by the board, economies that could be made in the lighting system were pointed out, a committee was appointed to prepare a building code for Eastport.

A study of the possibility of providing a disposal area for sludge dredged from Annapolis Harbor resulted in findings that the cost of bulkheading was too great for the property owners concerned. The association urged the Maryland Public Service Commission to protect the interest of the Baltimore and Annapolis Railroad in connection with a petition of a bus line to compete for passenger traffic between Baltimore and Annapolis; it initiated a movement to establish a people's court in the county and a county police department.

The council has been especially helpful in determining which of many projects which were possible under the PWA set-up were most needed and desired by the community. It has worked in coöperation with the board of county commissioners, the school board, the sanitary commission, the metropolitan sewerage commission, the welfare board, and state and federal agencies. Last year the association sponsored and helped organize the Civic Federation of Anne Arundel County which brings together representatives of various interests in the county even as the Eastport Civic Association does this for Eastport.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Chicago Civic Federation and Bureau of Public Efficiency.—Throughout the year the Civic Federation and Bureau of Public Efficiency has worked unceasingly to secure action to clear up the Cook County tax delinquency muddle. In our "Third Annual Study of Debts, Taxes, Assessments" (March 1936) we offered a series of suggestions on the problem which now appear likely to be given effect. Leading civic organizations have worked together whole-heartedly in this endeavor. The study has been widely used by local governments, federal agencies, financial houses, and property owners. As a supplement we published in August a summarized reference study of refunding and funding operations of the sanitary district, Chicago park district, Cook County, and forest preserve district, showing the revised funded debt situation in each of these governments.

Legislation was recommended to avoid chaos and waste in Cook County relief administration, and we believe that if the present legislature is well advised it will seriously consider the administration of relief by a centralized agency (in Cook County by the County Bureau of Public Welfare instead of by thirty-one separate political agencies).

Alarmed by the magnitude of the relief problem, we were instrumental in calling a conference of twelve leading local and state organizations, resulting in the formation of the Joint Committee on Costs of Relief, with the president of the Federation and Bureau as its chairman. We supplied headquarters and directional services to this committee.

In December we published a study entitled

"A Preliminary Word About 1937 Budgets," and filled requests for many thousand copies of this report. Prospective 1937 budgets of each of the major Chicago governments were analyzed and statements presented at all budget hearings.

A full time accountant has been added to our staff, and in general we feel that the work of the organization has moved rapidly forward during 1936.

We are at present engaged in the completion of our 1937 budget work, attendance at legislative sessions at Springfield, and the compilation of the "Fourth Annual Study of Debts, Taxes, Assessments."

Douglas Sutherland, *Executive Secretary*

Citizens Budget Commission, Inc. (New York City).– The commission continued during the year its nonpartisan work for economy and efficiency in New York City government. Aiming for constructive economies, it was supported in its activities by a council of consultants composed of representatives of 150 civic organizations.

Revision of the city charter was the subject first in public interest and importance. The commission aided the Charter Revision Commission in the setting up of new fiscal machinery affecting the collection and expenditure of public funds. Its recommendation for a single city-wide department of public works, to do the work heretofore performed by five separate borough departments, was adopted. Similar constructive help was given in framing the pattern and structure of the new and unified department of housing and buildings.

Unification of the two privately-operated subway lines and also the city's independent subway system was a subject of detailed studies made for the Commission by LeRoy T. Harkness, former transit commissioner. Counsel to the Commission presented extended testimony on the pending unification plan before the transit commission. During the unification negotiations the budget commission has consistently maintained that the only sound basis for unification is a flexible fare.

Mandatory legislation enacted by the state has forced the city for many years to large and unnecessary expenditures. Of the total 1937 budget, 36 per cent is thus taken out of the control of the duly elected appropriating city officials. Successive mayors of the city have protested but without any action to relieve this irregular and costly situation. A bill to repeal mandatory legislation was introduced last year in the state legislature, and fifty civic groups allied with the budget commission petitioned for enactment of the measure. While the bill failed of passage, it obtained such public support that repeal of mandatory laws is inevitable in the near future. The commission initiated the movement for an end to state interference in New York City's affairs, and has headed the three-year fight for this much needed reform.

The commission instituted court action under which the court of appeals declared invalid an act requiring the immediate establishment of a three-platoon system in the fire department. A substitute bill enacted in accordance with law permitted the three-platoon system but with savings to the city during the next three years of approximately $10,000,000.

The commission coöperated with the city comptroller and the city's bankers in securing an amendment relative to the refunding of revenue notes issued in anticipation of the collection of taxes of 1933 and prior years. Under the amendment, future collections of these taxes are earmarked for the servicing of the refunding notes and other non-operating expenses. The amendment prevents the city from expanding its spending capacity for general operating purposes by approximately $30,000,000 over a period of five years.

Pay restoration bills were successfully resisted by the commission. These threatened an increase of $18,000,000 in the 1937 payroll costs of the city.

Pension benefits unwarrantedly claimed by a teacher and illegally allowed by the teachers' retirement system were successfully litigated by the commission. The principle at issue here involved large amounts.

A project for extension of the city's water supply was studied by the commission's engineering staff and proposals for reduction of the proposed cost of $273,000,000 were laid before the board of water supply, the mayor, and the corporation counsel.

The 1937 budget engaged much of the commission's effort during the latter half of the year. The commission was represented at all hearings of the budget director on departmental requests for 1937 appropriations, and supplied information to the city and the public in relation to these requests. It recommended specific reductions in the budget aggregating $16,000,000. These proposals were rejected, mainly on grounds, in the opinion of the commission, inconsistent with the best interests of the city. A similar result followed the commission's support of the Municipal Civil Service Commission's objection to a local bill giving automatic annual salary increases to lower paid civil service workers, regardless of merit.

The commission actively participated in the solution of many other problems affecting the city government. As a result of its varied work, it believes that the year just closed has brought a change in public psychology respecting public spending. The close relation between cost of government and cost of living is temporarily blurred. While the course of the pendulum is in the direction of extravagantly inflated spending, redoubled effort to curb public extravagance is of twofold importance. First, these efforts tend to restrain excesses which must inevitably precipitate future financial crises in municipal affairs. Second, they prepare the public mind to demand orderly and swift retrenchment when the pendulum begins to swing in the opposite direction, as it must surely and soon.

*

Research Division of the Law Department of the City of Chicago.—Launched as an experiment in the fall of 1935, the Research Division of the Chicago Department of Law wound up its first full year of existence in 1936 as a well established unit in the legal agency of the nation's second city. In the words of Corporation Counsel Barnet Hodes, who created the division, its broad objective is to "coördinate the social and economic spheres with the law." An additional task is to study administrative procedures within the Department of Law as a whole and to make recommendations for improvements. While this division, which judging from the numerous inquiries has created national interest, must still be considered in an experimental stage, it is possible to report that progress has been made along both of these fronts. In the year 1936 alone the research division prepared ten major reports for the corporation counsel, as well as over three hundred memoranda, and in addition compiled a volume of opinions and an amendment guide to the Chicago code.

In its task of "coördinating the social and economic fields with the law" the division makes independent, factual studies, with an attempt at an objective view and a minimum of bias in connection with both current legal developments and perennial problems. As an example of its activity in connection with a current problem its participation in the effort of the city administration to obtain a reduction in fire rates may be cited. While the regular legal staff handled the legal aspects and the negotiations, the research division prepared a factual report, with statistical tables and charts, showing the methods used by fire insurance companies in determining rates, the trend of rates over a ten-year period, and the relationship between rates, fire losses, and premiums paid in Chicago. It is believed that this is the first time such a study has been made for an individual city.

Other problems given similar treatment involved parking meters, "bank nights," and noise abatement. The approach in these studies is definitely non-legal, as the research division does not in any way supplant the work of the lawyers in the office, but rather supplements their work by application of objective fact-finding techniques.

In addition to this type of research, the division was engaged in work related more closely to the strictly legal activity of the department. For example, it carried the major burden of preparing for publication a volume of 1,130 pages containing approximately 2,600 opinions of the Department of Law for the almost seven-year period from April 15, 1929, to December 1, 1935. This volume is organized according to an entirely new plan, the product being not a mere compilation of opinions, but rather a practical textbook on actual legal problems confronting a municipality. It is designed for the education and information of students, laymen, and governmental officials as well as lawyers.

The research division also prepared an "Amendment Guide" to the Chicago code which solved the problem of keeping the code up to date. This guide contains all amendments enacted since the code was published and is to be kept up to date by issuing monthly bulletins.

The perfection of the administrative mechanics for coördinated action and centralized supervision of the work of the Department of Law has been the subject of continuous research. For instance, in 1936 a progress reporting system was developed for the department by which the executive head for the first time is able to know the status of the work of the department at all times. During the past year an efficient system of intra-departmental records and reporting has been established. In addition, there have been studies of various individual activities of the Law Department for improved techniques and results.

The staff of the division is composed wholly of college trained persons and the emphasis is upon background in political science and research. The staff was organized by Dr. Albert Lepawsky of the University of Chicago Political Science Department, and he shaped its program for nine months before joining the staff of the Public Administration Clearing House.

Ralph Burton, *Assistant Director*

*

Municipal Research in Ludlow, Massachusetts.—The program of municipal research begun by the Ludlow Manufacturing and Sales Company in 1934 is now in its third year. The work is limited to the problems of government and administration of the town of Ludlow (population 8,569).

During the winter and spring (1935-36) seventeen issues of *Town Affairs* were published for the Ludlow Civic League. The material was made up of condensed research findings, explanations of a proposed council-manager administrative set-up, and general discussion of town business. Publication was resumed in January of the current year.

The volume of town business is such that it is possible to maintain a week-by-week scrutiny of town expenditures with particular reference to material purchases, relief costs, etc. It is also possible for the director to maintain fairly close contact with the work of the more important departments.

The director is serving as unofficial consultant and assistant to a committee appointed under authority of the town meeting to revise the town by-laws. Conditions are such that this involves the preparation of a completely new code.

Supplementing the work on by-laws, brief studies have been made of the practice of charging fees for several inspectional services, and the actual income of some town officials from fees allowed by statute but not reported to the town.

During January a report recommending improvements in budgeting procedure was given a limited local circulation.

In Ludlow, as in larger municipalities, the difficult task is not that of finding ways to improve administration and reduce costs but rather that of educating citizens to demand better public administration.

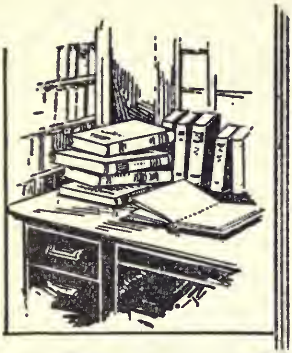
E. E. Mariner
Director of Municipal Research
Ludlow Manufacturing and Sales Company

*

Bureau of Municipal Research of The University of Texas.—The bureau in 1936 published five studies dealing with phases of local, and particularly municipal, government. Both of J. T. Barton's related studies, *A Debt Administration Manual for Texas Cities* and *City Indebtedness in Texas,* were based on data from a representative sample (10 per cent) of Texas' 580 incorporated cities and towns. They are designed to serve respectively as a guidebook for municipal debt administration and a history and survey of municipal debt in Texas. *Urban Local Government in Texas,* by Roscoe C. Martin, director of the bureau, is a comprehensive study of the five major urban counties in the state, and sets forth suggested means of avoiding in these areas some of the metropolitan problems faced by more populous districts in other states. One course which receives particular attention is that opened by a recent constitutional amendment making possible county home rule. *The Texas Municipal Civil Service,* by R. Weldon Cooper, includes information from 260 of the 341 incorporated towns of one thousand population and over in the state. It provides a thorough survey and points the way toward efficient personnel administration in Texas municipalities. *Municipal Public Reporting in Texas,* by J. T. Barton, is a study of the types of public reporting, and outlines a comprehensive reporting program for governmental agencies. These publications were made available to several hundred municipal officials throughout the state.

The bureau coöperated with the recently

(Continued on Page 160)



RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

The One-House Legislature. By John P. Senning. New York, McGraw-Hill Book Company, Inc., 1937. 118 pp. $1.50.

A focus of attention this legislative session, the unicameral legislature in Nebraska is breaking ground. Last month's REVIEW carried an article describing the personnel of the new legislature and the rules under which it began functioning.

In the hard-fought campaign which led to passage of the amendment providing for the new type of legislature John P. Senning, professor of political science at the University of Nebraska, took a prominent part. Having made a thorough study of bicameralism and the unicameral movement in the United States, he could speak with convincing authority. In his book he gives the historical development of state legislatures from the formulation of the first state constitutions during the Revolutionary War until adoption of the unicameral legislature in Nebraska, showing how the machinery has become cumbersome, unresponsive, and unwieldy. He presents the arguments in favor of the single-house legislature that were most effective during the campaign.

Suggestions for the improvement of the legislative process under the new system include the improvement of the committee system, an increased field of action for the legislative reference bureau, the adoption of a legislative council, and strict regulation of the lobby. Some of the suggested rules relating to the committee system have been adopted.

The book shows indications of having been put together hastily and the tone of parts of it is that of a campaign pamphlet but this can perhaps be excused in light of the volume's timeliness. Its condensation of background material should be helpful to any state contemplating administrative reorganization. There is a bibliography of material on state legislatures. Senator Norris has contributed a foreword in which he presents several interesting ideas of his own relative to rules that might be adopted to advantage by the unicameral legislature.

*

The Police and Modern Society. By August Vollmer. Berkeley, University of California Press, 1936. 253 pp. $2.50.

We must face the fact that crime in the United States is growing. In 1934 the United States had a homicide rate of 12.1 per 100,000 population as contrasted with 0.78 per 100,000 in England. More major crimes were committed in Chicago in the year 1932 than in all the cities and counties of England and Wales.

In an uneasy searching for an explanation of our distressing crime record we are very likely to blame the police. "The Police and Modern Society," written by August Vollmer, former chief of police at Berkeley, a pioneer in the development of police training, and at present professor of police administration in the University of California, tells us bluntly why we cannot shift responsibility onto the men we hire to maintain the law. The police can go only so far as the public will let them; they can do only that in which public opinion will uphold them. "The Police and Modern Society" is a disquieting book which draws the direct inference that citizens of the United States are responsible for whatever lack there is in law enforcement.

The greatest weakness of police departments in this country, the author believes, is perhaps the poor quality of personnel—badly placed, inadequately trained, and held in poor respect by the people. Lack of coördination among the many separate, independent police agencies is a severe handicap, of which lawbreakers take full advantage. With modern means of rapid transportation it is easy for the lawbreaker to get outside the jurisdiction of the local authority.

Lack of compulsory registration for criminals is seen as another drawback. The shyster attorney and political "pull" are other handicaps, but greatest of all is "the overwhelmingly indifferent, negative attitude of the public, punctuated by spasms of short-lived, ineffectual indignation that in no small degree nullify the effectiveness of police and other restrictive governmental authority."

The graphic presentation of the policeman's side of the picture—the problems he faces, the ways in which he tries to meet them, and the difficulties he encounters—does much to strengthen the indictment that the citizen is not doing his part. Chapters are devoted to major crimes, vice as a police problem, traffic, general service, crime prevention, and personnel. It is a book of practicality, not theory, pointed up with illustrative material drawn from the long experience of the author. And ever Chief Vollmer pounds his message home—the necessity for public coöperation with the police for successful crime control.

*

Housing Management: Principles and Practices. By Beatrice Greenfield Rosahn and Abraham Goldfeld. New York, Covici-Friede, 1937. 414 pp. $4.00.

Beatrice Greenfield Rosahn was talking housing management before the phrase had a commonly understood meaning in this country. She is now secretary of the American Society of Women Housing Managers. Abraham Goldfeld is manager of the Lavanburg Homes in New York City, one of the best known housing foundation projects in the United States. From these authoritative sources comes the first comprehensive, practical book on how to manage large scale housing developments. The space devoted to theory is not more than a few pages. But there are specific instructions to janitors, listing their duties one, two, three; information on boiler maintenance and methods of firing; advice on selection of a staff, training and handling personnel.

There are practical words regarding the selection and placement of tenants and rules and regulations that may be enforced for the greater comfort of tenants and preservation of the property. A chapter on legal, accounting, and statistical practices has been contributed by William T. Harrison.

We have in the United States two major types of housing projects. The first is the garden city type which attempts to provide all the services of a complete community. The other is the straight urban apartment type where little more is attempted than provision of shelter. But even in the latter type management has found the provision of recreational facilities of great value. No matter how small or large the recreational and social program that is attempted, the authors stress the importance of spontaneity in community activities. Tenants do not care to have their leisure time too carefully planned; they prefer to do some of the planning themselves. If management will provide space for social activity and equipment, activities will arise naturally.

While housing management is comparatively new, we have a considerable body of experience that can be drawn upon; thus approximately half the book is devoted to a detailed description of the management practices of nine large scale, limited dividend, and non-profit housing projects located in the east and middle west.

The appendix containing an article on the "Law of the Landlord and Tenant" by Joshua S. Chinitz and an excellent bibliography designed for housing managers should not be overlooked.

The increasing numbers of young men and women who are turning to housing management as a profession will find this book an unexcelled text and handbook. The housing manager on the job must find in its hundreds of suggestions, gleaned from the combined experience of pioneers in the field, some that have not previously occurred to him and which can be followed to advantage. The book appears at a most timely moment as interest in public housing is growing.

*

Training Career Public Servants for the City of New York. By O. Glenn Stahl. New York City, Department of Government, New York University, 1936. 262 pp. mimeo.

Second only to the federal government in the number of its employees, the city of New York with 142,885 on its payroll is an important laboratory for a comprehensive study of the training phases of a career service. Mr. Stahl's study emphasizes the following principles: (1) The recruitment of new employees only to lower positions in each classification of service and the filling of higher posts by promotion and transfer; (2) The articulation of recruitment with various stages in the public educational process; (3) In regard to preentry training, the basing of entrance examinations largely on subjects taught in the schools, with emphasis on the measuring of general capacity or technical proficiency rather than of specific knowledge of the position to be filled; (4) The development of a comprehensive system of in-service training in all departments to increase the usefulness of the municipal employees.

Criticism is directed toward the great number of overlapping titles and salary grades in the service which indicates a need for reclassification of positions and salary standardization. After pointing out in what respects the Municipal Civil Service Commission has made progress since 1934 under Fusion administration, the author concludes with a broad program of coöperation between the municipal government and the educational institutions in New York City to assure for the city a continuing body of trained career servants.

Sophia A. Olmsted

*

STUDIES

Municipal Ownership of Electric Undertakings in Virginia. By Rowland Andrews Egger and James Edward Gates. University, Virginia, Bureau of Public Administration, 1937. 132 pp. mimeo. $1.00.

Information on the operation and cost of municipal electric plants is much in demand. A real contribution is this detailed study of the 431 municipally owned electric plants in Virginia. It includes a description of the development of municipal ownership in Virginia, the legal background, and deals with the administrative organization and management of the plants with particular attention to the relationships of management to the political authorities of the cities and towns in which the plants are located.

A section on financing and distribution of profits is particularly illuminating. The frequently encountered argument that municipally operated plants have an advantage over those privately owned because the former pay no taxes is met with the data showing that in Virginia the contributions made by municipal plants in the form of free electricity and cash contributions to the municipal treasury far outweigh the tax bill of the private utilities.

Attention is called to the inadequate methods of accounting and financial reporting in both private and public utilities. Analysis of rates shows that with a few exceptions the rates charged by municipal plants are lower than those charged by the private companies for like quantities of electricity used for domestic purposes in communities of like size.

The study is neither a defense nor an attack upon public ownership—the purpose is merely to analyze the way in which municipal light plants in the state are being run with the thought that such a survey would bring to light possibilities for improvement. Dr. William E. Mosher has contributed an introduction to the study interpreting its findings in the light of conclusions of studies made in other states.

*

The Effect of Homestead Exemption in Rhode Island. By the Providence Governmental Research Bureau, 1936. 8 pp. mimeo. Apply to the Bureau.

This study of proposed laws designed to exempt homesteads from the general property tax shows the estimated loss in taxable assessed valuation for the state and for the cities of Rhode Island.

*

General Study of Cost and Volume of Social Welfare Activities in Kansas City, Missouri. By Margaret Klein. Kansas City, Missouri, Civic Research Institute, 1936. 41 pp. mimeo. Apply to the Institute.

This is the first survey that has been made of the extent and cost of all social welfare activities both public and private in Kansas City. It contains the financial and service statements for 1935 of sixty-five organized private agencies and all five public agencies functioning in the city. One of the purposes of the study was to enable each of these agencies to view its activities in relation to those of other groups so that the total problems might be met more intelligently.

Improving Assessments. By Mabel L. Walker. New York, Tax Policy League, 1937. 14 pp. mimeo. Twenty-five cents.

Constructive suggestions are offered relative to ways in which assessments can be improved, and the extent to which they are being improved is described.

*

Township Organization in Missouri. By William L. Bradshaw and Milton Garrison. Columbia, Missouri, University of Missouri, 1936. 70 pp. $1.25.

Out of the 114 counties in Missouri 24 have municipal townships which are units of local government incorporated and organized under the optional township organization law. There are 345 of these incorporated townships in the state each having an elective board of directors which exercises some discretion in the raising and disbursement of public funds, primarily for local road purposes. This study explains the system and describes the administration, services, functions of officers, and cost, coming to the conclusion that in the interests of efficiency and economy the township organization should be abandoned in favor of the county unit plan.

*

Cost of Government in Indiana. Vol. III. By Indiana Taxpayers Association. Indianapolis, 1936. 88 pp. mimeo. Apply to the Association.

This study, made up entirely of tables and charts, shows the history of the cost of state and local government in Indiana, outstanding bonded indebtedness of the local units, collections and disbursements made possible through gross income, excise, and intangible taxes, and other comparatively new sources of revenue, and the revenue derived from the gasoline tax and auto license fees. Governmental costs for the last three years are compared and there is also a comparison of the bonded indebtedness of various units.

*

The Civil Service in Modern Government. By the National Civil Service Reform League, New York, 1936. 58 pp. 25 cents.

A condensed summary of the merit system in civil service giving the background of events leading to civil service reform, a short description of the Pendleton Act, and steps taken since its passage to strengthen and weaken the merit system. In even so brief a treatment it has been possible to show what the merit system might be were we willing to adopt suggested improvements.

*

Experiments in the Mental Testing of Detroit Policemen. By John R. Searles and J. M. Leonard. Detroit, Detroit Bureau of Governmental Research, 1936. 54 pp. 75 cents.

Detroit was one of the first cities in the country to introduce police training and was also one of the first to become interested in the use of the mental test in selecting recruit patrolmen. In 1920 experiments were made with the Army Alpha test and in the years since then three other types of mental tests have been tried. This study describes the experiments and gives the conclusions derived from them.

Having decided that the Army Alpha or other similar general intelligence test was the most useful method of selecting applicants for police work, the Detroit police department set up a minimum requirement of an Army Alpha score of one hundred which it has been demonstrated is about the equivalent of completion of the second year of high school. The mental test is only one part of the process of selecting police personnel. The candidate must also take physical and medical examinations, undergo character investigation, and survive interviews with the recruiting officer.

The study includes a brief description of the program of Detroit's police training school.

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GOVERNMENTAL RESEARCH ASSOCIATION

(Continued from Page 156)

created (1935) State Department of Public Safety in a series of eight-week schools for new recruits. These schools were held in December of 1935 and the first half of 1936, and included courses ranging from self-defense to government. The Bureau of Municipal Research made members of its staff available for teaching the classes in government.

Coöperation between the Bureau of Municipal Research and the League of Texas Municipalities has continued. The bureau has assisted in the annual conferences of the league and of the Municipal Finance Officers' Association of Texas, and has had representatives at the league's various regional meetings throughout the year

NATIONAL MUNICIPAL REVIEW

APRIL + 1937

Fools and Forms

• • • EDITORIAL

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• • • ALONZO G. GRACE

Local Self-Government and the State

• • • CARL E. McCOMBS

What is Everybody's Business

• • • BENJAMIN FRANKLIN

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Editorial
Comment
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April, 1937

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Fools and Forms

There has been a disposition among specialists in the field of municipal government of late to discount the importance of structure in obtaining efficient and effective administration. This is definitely to be deplored. While it should be clearly recognized that structure is but one of the several important factors in efficient operation, he would be a foolhardy scholar indeed who would scoff at the importance of form in relation to function in political science or any other discipline.

The clock turns not back—too long has Pope's famous couplet, "For forms of government let fools contest, that which is best administered is best," been recognized for what it is—a clever statement of a dangerous half-truth.

It is a fact, of course, that the best form of government is no good unless good men are operating it. Similarly, the worst form of government may be made to work if sufficiently able men are in charge. But woe to him who thinks this is the same as saying that the form is of no importance. For the form is of great importance in facilitating the entrance of good men into public office as well as of great importance in helping them to run the government without the constant bickering and inefficiencies resulting from vague, conflicting, and overlapping authority.

As has been repeatedly pointed out by students of the subject, a good charter will not guarantee good government but will go a long way toward helping those who want good government to put it into effect without running into the thousand and one obstacles that a poor charter would provide.

There is one other aspect of change in the form of government of a city that is seldom mentioned which has considerable significance. In a democracy where votes determine results, two elements are essential to fundamental improvement in the conduct of public affairs; sometimes one comes first and sometimes the other. These elements are: a cause and leadership. Leadership may exist without a cause but is usually forced to create a cause before it can fully manifest itself. A cause frequently exist without leadership but if it is vital almost inevitably produces leadership. Organization to promote the cause, of course, follows and is a necessary corollary.

To be most effective, a cause must be capable of being simply expressed; it must furnish a rallying cry around which may be mustered large groups of citizens. This, too, change in the form of government provides. Of the 450 cities which have adopted the city manager form of government, few indeed are they which would have witnessed any fundamental improvement in the conduct of their affairs had they not changed their form of government. All too numerous are they, indeed, where a movement for improvement in government would never have developed sufficient virility to emerge triumphant without the issue of change in the form of government to present to the people.

Unusual records for administrative efficiency and low cost operation are being chalked up generally by city manager cities. As the functions of local government continue to expand—as it appears inevitable for them to do—it should be gratifying to citizens who live under this form of government to realize they have forged an efficient instrument capable of translating with the least loss of time and effort the public will into administrative action.

From City Hall to Campus

The appointment of Clarence A. Dykstra, city manager of Cincinnati, as president of the University of Wisconsin has a significance far beyond the mere fact of the appointment of a very able political scientist to fill one of the highest academic positions in the country. For the first time, at least within the knowledge of the present writer, an active municipal administrator is sought for a post of this character.

Clearly, we have come a long way in municipal government when the city hall becomes a training ground for a college presidency. It was not always thus. Spittoon-decorated offices, foggy with cigar smoke, are not too remote in municipal experience to warrant undue huzzahs over their conversion to respectability. Still vivid in memory if less so in fact is the picture of the old line political office-holder. You will recall Murray Seasongood's description of the former mayor who furnished the following reasons for his political success: "I used to be in business, and I always believe in seeing the customer. My door is open, and if I ain't there, all you got to do is to holler, 'Where is that Dutch slob?' "

But the very fact that the selection of the chief executive of Cincinnati as president of the University of Wisconsin could happen is important. The city manager movement has, in brief, brought us far enough along the road of professionalization of the public service so that municipal government, so long the black sheep of the family, is beginning to develop leadership of a high order.

It is well that the universities should be looking toward a closer relationship with the public service. It is fortunate also that this relationship may be developed through the personalities of those who have had close contact with the realities of municipal government. The selection of Harold W. Dodds as president of Princeton University was the first auspicious stride in this direction. The appointment of Dykstra, whose record at Cincinnati has attracted nation-wide attention, is a constructive second step on the same course.

Development of Satisfactory Units of School Administration

A discussion of the factors involved in the intelligent creation of administrative districts

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This discussion is limited to a brief consideration of some of the major factors involved in the development of satisfactory units of school administration. It should be noted, however, that certain other factors are involved in the development of supervisory and attendance units. The establishment of criteria for the determination of the size of these units, obviously, is contingent upon the recognition of these factors.

An area confined to certain definite and recognized boundaries within which certain specific services are rendered or functions performed for the general welfare of the state and within which taxes may be levied and collected and debt incurred is an administrative area. The administrative unit is that agency designated by and responsible to the state to which is allocated the active management of the services and functions rendered therein. The school district, therefore, may be the administrative unit for public education.

Except in cities and larger villages the school or attendance unit frequently is the administrative unit. The attendance unit, however, may not be a satisfactory unit for administration or for supervision. There are certain fundamental factors, therefore, that enter into the determination of the size of the administrative unit. In order to establish acceptable criteria for the determination of the size and extent of the larger unit, the following factors must be considered: (1) educational adequacy, (2) fiscal competence, (3) administrative efficiency, (4) local initiative and interest, (5) demographic inclusiveness, (6) facility of transportation, and (7) flexibility. These factors will be discussed briefly in order.

EDUCATIONAL ADEQUACY

The first factor involved in the creation of an administrative area and one that is of consequence in the determination of the size of the unit is the matter of educational adequacy. Among the questions that must be answered the following are among the more important: Is it possible to equalize educational opportunity under existing conditions and in the present organization? Are there services essential to an adequate education that cannot be provided because of the size of the school district? Would a larger unit result in a more productive leadership? Would the larger unit make possible greater emphasis on the quality of the product or shall quantity be the major objective of educational endeavor? What shall be the extent of the educational program? Shall the area be organized on the basis of a minimum program or shall a maximum program be considered in the ultimate plan? These and other pertinent questions must be considered in the determination of the size of an administrative unit.

If all of the children of a state are not obtaining the services and programs enjoyed by the majority of the children of the state, it is the function of the state to eliminate the obstacles that make this equalization impossible.

FISCAL COMPETENCE

One of the major factors involved in the establishment of the administrative unit for the conduct of public education is that concerned with the financing of the services and functions included within the educational program. The limitation of space prohibits an extensive presentation of the elements involved in this factor. Among the elements that must be considered, however, are: (1) variations in the actual value of property in existent districts, (2) land classification, (3) tax delinquency, and (4) extent of local debt.

One school district, for example, may be fortunate enough to have within its boundaries two or more railroads, light and power companies, or other large or heavily assessed properties. The adjacent district may be dependent solely upon the assessed valuation of a few farm parcels for the support of the school therein. No matter how far a state may be willing to go in the matter of the state equalization of support of education, the one district may remain at a distinct disadvantage because of local fiscal inequalities.

The whole matter of land classification, also, presents a major problem in planning a program. Studies thus far completed by various agencies indicate the presence of many areas within states that are unsuited for agricultural purposes. The people in these marginal areas are unable to pay for various governmental services; hence, the need for state assistance continues to increase. Within most states, also, there are industries that are disappearing and which may be nonexistent within a generation or less.

It is not the purpose of this discussion, however, to do more than to point out the seriousness of forming school districts on an assessed valuation that, in a sense, may be fictitious. In other words, within a short period of time valuations may decrease because of the disappearance of the industry responsible for the present high valuation or because of the withdrawal of marginal land from production.

Though tax delinquency is no longer a serious problem this aspect of the financial plan cannot be ignored. When there is income, taxes usually are paid. But inability to pay taxes is a serious matter in periods of adversity.

Bird's[1] study of the five-year trend in cities with a population of over fifty thousand, indicates an approximate median delinquency of 20 per cent during the year 1933. Data assembled by state tax commissions indicate varying amounts and rates of delinquency. The major disturbing fact, however, is not the gross delinquency, but the trend in the direction of nonpayment of taxes. While it is true that such factors as measurement of delinquency, variation of taxpaying habits, legal pressure for payment, general business conditions, or others may influence this trend one way or another, the significance of tax delinquency as a factor to be considered in budget-making can no longer be denied.

The whole debt problem, too, is of consequence in any consideration of the financial status of local government. The rapidity with which the public debt —federal, state, or local—has increased obviously is a matter of importance in budget-making. The establishment of debt limits within states to protect the fiscal affairs of local governments is desirable; what may appear to be a definite limitation in theory, however, in actual practice may not be a rigid limitation, because of the debt incurring power of overlapping local units and exemptions. For example, a property in a state having a 10 per cent limitation on assessed valuation for borrowing purposes may be located within a county, city, and school district. Since it is possible for each one of these units to incur debt up to the legal 10 per cent limit, the debt limit on this property is, in effect, not 10 per cent of the assessed valuation, but 30 per cent.

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[1] Bird, Frederick L. *The Five-Year Trend in Tax Delinquency, 1930-1934.* New York, Dun and Bradstreet, 1935.

The implications of this problem are obvious. Clarke[2] says that state and local indebtedness:

> Form a part of public and private debt which, while not large relative to the total, is one if not the most difficult to deal with by reason of the excessive number and diversity of districts having incurred debts. Because of their rigid character, state and local bonds usually remain a fixed charge upon budgets without possibility of alteration during the course of their terms.
>
> As a charge fixed until the discharge of the obligations, debt service renders state and local economy difficult by reducing the margin of discretion in lowering public costs. The debt charges decrease the ability, especially of local governments, to pay for social services, particularly for unemployed relief. Property taxes, already high for a prosperous era, are rendered burdensome in some communities and exorbitant in other areas. The natural tendency to tax delinquency during a depression is intensified by high levies to redeem debts incurred during the flush "nineteen twenties." The burden of fixed charges is a stimulus to defaults by municipalities which virtually renders them bankrupt corporations.
>
> No blanket characterizations of state and local borrowing, however, are applicable to all units and no causes of fiscal distress uniformly prevail throughout all areas. Consequently, an understanding of the debt structures and their burdens under the impact of the depression must identify the nature and extent of the debt and differentiate between the situations which call for remedy.

With increasing debt and tax delinquency facing local government, the quest for new revenues has resulted in a general broadening of the tax base. Federal, state, and local governments, also, have increased tax rates within their respective taxing jurisdictions more or less consistently since 1920. In spite of a liberal increase in assessed valuations in the case of real property or the rates for various income levels in states having income tax laws, the resulting revenue has proved to be insufficient to support the governmental structure. Thus the tax base has been broadened. Sales, chain store, corporation, inheritance, income, and a host of other taxes have been enacted by legislatures in states not already having such tax legislation; and, in some instances, new local taxes have been imposed. New York City, for example, has adopted a sales tax locally. The present procedure, however, is merely to expand the tax base without regard to the extent of its operation or the taxes already in effect.

The report of the subcommittee of the committee on ways and means of the house of representatives[3] explains briefly the underlying power of various units of government to levy taxes. With respect to local governments, it may be said that this power is delegated by the state and is not inherent in any manner. It is, however, a recognition of the principle of home rule. The committee agreed that the general property tax is levied neither "in accordance with the principle of ability to pay nor the principle of benefit received."

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[2] Clarke, Evans. *The Internal Debts of the United States.* New York, Macmillan Company, 1933. pp. 255-256.

[3] *Double Taxation*, Washington, Government Printing Office, 1933.

ADMINISTRATIVE EFFICIENCY

The effective and efficient management of the affairs of the small school district is impossible. The number of districts, the diffusion of responsibility, lack of educational leadership in small districts contribute to the general situation. That the inadequacy of the educational program in most small districts may be attributed to administrative defects in the district system is a matter of common knowledge.

The larger unit makes possible the selection of competent boards of education, as the policy-determining bodies of these districts. It would provide for the delegation of administrative responsibility to a superintendent of schools. In brief, the rural areas of a state may have an educational organization similar to that which now prevails in cities and villages without the loss of local autonomy. The simple creation of the larger unit, however, will not guarantee better administrative practice. There must be a reallocation of certain functions or services to other governmental units. There must be effective leadership provided within the unit for no administrative organization is stronger than the personnel required to manage it.

LOCAL INITIATIVE AND INTEREST

How may the political structure be modified so as to retain local autonomy and at the same time maintain an effective state? Some political theorists hold that the state is an essential institution of society and, in their judgment, should be divested of sovereignty. Others contend that the state exists to enact and to enforce law; therefore, it is superior to all social groups within its boundaries. The dispersed and conflicting loyalties that exist within the social structure make it clearly evident, however, that the sovereignty of the people is expressed as much through labor organizations, church groups, taxpayers' associations, financial organizations, and others as it is through constitutions.

The importance of free assembly and of local units designed to bring people together to discuss common problems is of the utmost consequence in the maintenance of democracy. That the forfeiture of local initiative, interest, and effort would inevitably result in the decadence of the democratic ideal is a matter of common agreement. It is essential, therefore, that the area of administration be limited in size in order that members therein possess a sense of belonging and in order that local initiative, interest, and effort may be expressed.

DEMOGRAPHIC INCLUSIVENESS

Among the factors involved in the planning of administrative areas none is more important than the matter of population, births, marriages, mortality, health, or other related conditions. These are known as demographic data. Because most studies of school district reorganization have ignored to a large degree this body of statistical information the factor of inclusiveness is used in this discussion to indicate the need for complete consideration of these data.

The importance of including data such as these in planning school district organization is evident. It is now possible to predict with reasonable accuracy the school population that may be expected within a period of years. This is of consequence in planning school buildings, in developing the educational program, in the preparation of teachers, and in fact in determining the whole school program.

FACILITY OF TRANSPORTATION

Transportation facilities are essential in the larger unit of administration and

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Local Self-Government and the State

The preservation of the democratic foundations of our government depends upon the readjustment of local government units to the purposes of self-government

CARL E. McCOMBS *Institute of Public Administration*

THE most fertile field for research in government and its administration is today, as it always has been, local government. And at no time in the past has there been, in view of this observer at least, greater need for further and more intensive study of it. Unquestionably the movement for strong centralization of administrative authority and responsibility in the state and national governments has tended to devitalize local self-government no matter what else it may have accomplished. That this movement has been largely responsible also for devitalizing the spirit for democracy cannot perhaps be proved, yet close and long continued observation of local governments in those states where the trend towards centralization has been most marked reveals marked symptoms of its decay. There are, of course, many other factors which have contributed to the devitalization of local self-government and the spirit for democracy which it is presumed to manifest.

Along with the increasing complexity of government and the necessary (and unnecessary) multiplication of laws, ordinances, rules, and regulations concerning it, there has come a high degree of specialization in its functional techniques. Although the citizen of today is better qualified to understand and interpret governmental methods and objectives, he is less able to devote to that task the time and effort required because of the concomitant increase in the number and variety of social and economic pressures which are exerted upon him in his business and home life. When occasionally he attempts to exercise his citizenship, he finds that legal, political, and other barriers have been set up which effectively block his approach to responsible authority. The officials of his local government may be mere agents of a higher authority far outside the individual citizen's sphere of influence, or so chosen, empowered, and fixed in office that short of criminal or civil action at law they are beyond the individual citizen's reach. Nor can the individual citizen induce coöperative citizen action in public affairs except by an almost prohibitive expenditure of time and money. The division of the citizen body along social, economic, political, religious, racial, and other lines tends to prevent truly coöperative action in the interest of all. Citizens may be temporarily united in the face of some crisis if sufficient publicity is given to it, but when the crisis is over the normal diverse pressures force the erstwhile coöperators back into their former groupings which are antagonistic to community solidarity. Nothing could be more destructive of the spirit for democracy than the helplessness which the citizen feels in the face of these handicaps to the proper exercise of his citizenship, and he becomes apathetic to conditions which steadily undermine democratic foundations.

There are doubtless small, comparatively isolated local self-governing units scattered throughout the United States in which as yet this deterioration of democratic foundations has not gone far enough to produce significant symptoms. A few local self-governing units may be observed in dominantly rural areas whose populations are homogeneous, self-reliant, require little governmental service, and happily are only mildly conscious of religious, racial, political schisms. Some towns of this type may be observed in rural New England. But modern transportation and communication have served to abolish the isolation of communities and thought, so that today there is probably not a competent local self-governing unit in the United States which has wholly escaped the influences which we have described as subversive of the self-governing ideal of our democracy.

INCOMPETENCY MOVES CONTROL UPWARD

The writer concedes that the forces which we deplore as opposed to strong local self-government are in large measure responsible for raising the standards of government as a whole. The inability of local government to finance and control effectively many of the highly specialized governmental techniques and facilities required in modern community life has compelled a broadening of the administrative base all along the line—in fiscal control, health and sanitation, public welfare, public works, public safety, and other governmental functions. When local governments have proved incompetent, the tendency has been to move administrative controls upward—to the county, to the state, to the federal government. Thus the vicious cycle of deterioration of the self-governing democratic foundation of our whole governmental structure is completed. The incompetency of local governments inevitably forces the transfer of local functions to a higher administrative level, if no fundamental changes have been made in the adaptation of the local government structure to modern environment and ways of life. This in turn further reduces the capacity of the local government to meet local problems on the local level and discourages citizen interest and coöperative action. The only effective remedy yet offered for increasing the efficiency of local government services, namely, transfer of its responsibilities upward, has resulted in depriving self-government of the very thing necessary to the nourishment and growth of the spirit for democracy.

The writer concedes, too, that if public service with the utmost of efficiency and economy is assumed to be the chief goal of government action, without change in the basic system of local government units, stronger and stronger centralization of controls at the higher levels is our only recourse. But is this assumption a sound one? Are there not potential values in the preservation and development of the self-governing plan of community life which if made actual would more than offset the gains of supposed higher efficiency and money economy? Is it not true that most of the social and economic ills, for which state and national governments now attempt to provide preventive and remedial measures by vast expenditure and with doubtful efficiency, have local origins and could probably be dealt with more promptly, more efficiently, and perhaps more economically in the long run at the community level? Is it not probable that if community local government were so established and constituted as to be competent to deal with such matters at first hand the very effort required to meet its own responsibilities would increase its capacity for self-government? "Function makes structure" is as true of the body politic as of the human body. No local government unit can develop strength and vigor sufficient for useful life today if the necessity for exercise of its proper functions is removed by transfer of its responsibilities to a higher, more remote governmental level. It is, I believe, of greater value that the spirit for democratic self-government be preserved than that all things done by government shall be done with the utmost measurable efficiency and money economy.

WHAT IS A COMMUNITY?

It will be noted that the word "community" has been used above as though it were synonymous with "local government." It is not, of course. If it were, and if "community" in the political sense meant exactly what it means in the social sense, the problem of readjustment of the governmental mechanism so as to foster rather than discourage local self-government would be a much simpler one. To illustrate the misconception which clouds the discussion of problems of public administration because of an unwarranted use of the word "community," I cite a discussion which recently took place at a meeting of the American Public Welfare Association in Washington. The purpose of the conference was mainly to give public welfare officials and others interested opportunity to talk over ways and means of adapting the social security act to the exigencies of administration in the states and local units of government. Since the social security act covers broadly institutional and non-institutional services in the related fields of public health and social welfare, the administrative integration of these services in state and local jurisdictions is a matter of prime interest. The several round table discussions at the Washington conference were devoted almost exclusively to this problem, and speaker after speaker arose to declare that in no way except by the integration of these varied services "at the community level" could the benefits offered under the social security act be fully realized. But since there is in no state a unit of local government which is defined in law as a "community" but only as counties, cities, villages, towns, townships, precincts, magisterial districts, etc., there is in fact no possibility of integrating administratively or otherwise the public services provided for in the social security act "at the community level."

These services might conceivably be integrated at the county, city, village, town, or other local jurisdictional level but the impossibility of describing for all states any one of these jurisdictional types as invariably the proper level for the integration of social welfare services is obvious. The variations in area, population, character, and composition of the people, social and economic resources, etc., which may be noted within any given category of local government units, are astonishing. The idea behind the words "integration at the community level" is, however, a perfectly sound one. Those who used these words meant simply that, assuming a group of people which actually represents a community of interest and has otherwise such resources as to provide voluntarily and through governmental organization for the integration of health and welfare services, it would be possible to realize most completely the benefits which the social security act aims to provide. It may well be that there are certain counties, cities, villages, towns and other units of local government which exemplify the community ideal as described, but it is certainly not true that a "community" in the governmental sense has actual being—except perhaps in the minds of wishful thinkers like myself.

As one examines the present scheme

of government and administration from the national government down to the smallest local unit, it is evident that it is not well adapted either to efficient and economical public service or to the enhancement of the other values which are of the spirit of democracy and dependent upon community of interest. The question, then, resolves itself to this: Shall we continue with the present archaic system of local government and continue to sap its vitality by greater and greater centralization of governmental responsibility in the state and national government; or shall we try to find some reasonable compromise between high central controls and self-government at the grass roots? If the vote is yes for the first of these alternatives, it will be a waste of time to concern ourselves greatly with local government reform. It will in a short time have little to concern us. But if we can agree that local self-government and self-support represent a worthy ideal of democracy, something can and should be done to rehabilitate local institutions.

There is among students of government considerable difference of opinion, both concerning the nature of functions which can be best performed at the local level, and the degree to which self-government, that is to say "home rule," should be permitted by the state with respect to such functions. All will probably agree that the unit of local government should represent more than a mere geographical division of state area. They will agree, no doubt, that a unit of local government regardless of the size and location should represent a group of people which has a community of interest, that is, some social and economic common denominator. They are quite likely to agree that for the community so described there should be one responsible government and not more than one. Finally, if it is also agreed that the spirit for democracy is worth preserving and that efficient local self-government is both its nourishment and identifying product, the path to the objective is by no means a difficult one.

POLITICS AND LOCAL GOVERNMENT

There are certain stubborn facts about local government which cannot be avoided in any discussion of its reform. The first of these is that political exigencies must be recognized. No system of local government can be devised which will eliminate all of the handicaps and waste which our political system necessarily imposes upon efficient self-government. But it is possible to devise a system of local self-government which will reduce waste and the number of these handicaps. The second fact is that the need and capacity for self-government of any population group cannot be measured by number of people, area of distribution, or legal designation as town, village, city, county, special district, or what not. In no state are the needs and resources of the people so uniformly spread that a "blanket" system of local self-governing units can be clapped down upon all people and all regions of the state with any hope of uniformly satisfactory operation. But a system of local self-government can be devised which will recognize the variability of local needs and resources and permit the people themselves to select within reasonable limitations the kind and amount of self-government they want and can afford to maintain. Finally, it is apparent that in the interest of all the people of a given state no population unit can be permitted an amount or kind of self-government which will handicap or do injustice to other self-governing units. But a system of local government can be devised which will so distribute governmental powers, burdens, and responsibilities between the state and local units as to equalize the self-government opportunity for all.

We may as well dismiss at once any notion that narrow and venal partisan politics in local government can be abolished by any reform of the system of local government itself. A system of local self-government which will not only permit but stimulate citizen interest in its processes and encourage rather than discourage community coöperation will, however, accomplish all that can be accomplished toward this end, human nature being what it is. The problem as far as partisan politics is concerned is simply to make politics amenable and controllable through replacement of citizen interest in political squabbles with citizen interest in efficient government operation regardless of who is elected. That means the widest possible range and freest expression of self-government for local communities through a system of local government which recognizes the varying social needs and economic resources of the people, and is capable of being adapted to them.

LAND USE THE FOUNDATION

The social needs and economic resources of any group of population depend in the last analysis upon land use. The social solidarity of the community, its service requirements, its income, and its capacity for self-government have their origins in land use, and our local government structure should therefore fit this foundation. Unfortunately we have merely scratched the surface of this problem in its relation to government. A few intelligently directed state planning boards and a few independent researchers have here and there made an approach to it and have gathered such meager facts as have been available in official records of land use and abuse and by limited field studies in several states, notably New York State. There is a growing appreciation among students of government of the necessity of more facts and more extended observations on this subject, but enough information has been gathered to permit several broad conclusions to be tentatively drawn. These are:

1. Regardless of the existing form of local government or the variety of types which may be recognized, classification of the area and population of the state on the basis of land use should be the starting point of any plan of local government reorganization;

2. The system of local government should be designed to provide within each of the major classifications of area and population according to land use certain types of local self-government, depending upon the amount and kind of self-governing services best adapted to such use;

3. For each of these major classifications as large opportunity as possible should be given the people to select from among several unit types of local government that one which in their judgment best suits their purpose and provides freest opportunity for the readjustment from time to time of the jurisdictional limitations of local units with respect to area and population. This would make possible the ultimate creation of local government units which would represent local communities of interest.

To illustrate what is meant by the classification of state area and population, the reader is referred to the tentative classification of New York State area and population suggested in the report of the New York State Commission for the Revision of the Tax Laws, 1933. On the basis of studies made by the Commission's staff under the direction of Luther Gulick, director of the Institute of Public Administration, the commission tentatively proposed the establishment of five zones of local government. These zones represented, as accurately as the commission's staff could determine from the meager data available, the differences in local government needs and resources as indicated by land use and distribution of population. The zones ranged from the great, almost uninhabited, forest areas of the state to the great metropolitan districts as defined by the Bureau of the Census.

It was proposed that local government in the sparsely settled forest area be eliminated, as it was in the forest regions of Maine, and that such local services as might be required in this zone be provided by the state acting through representatives in the few local centers. In the four remaining zones it was proposed that local self-governments suited to the particular needs and resources of their respective resident groups be set up by virtue of laws providing optional forms of local government. These proposals were intended to be merely suggestive of a rational approach to the problem of local government reorganization which in New York State is an issue in almost every legislative session. To date, however, no action has been taken either by the commission which originally sponsored them or by the legislature to forward local government reorganization along the lines suggested. The plan did, however, arouse a great deal of interest among those best informed on local government problems in New York State and it is evident that future reforms of local government, if any, must take into account these wide variations in land use which are reflected in the statistics of number, distribution, character, and composition of population, age groupings, occupation and employment, transportation and communication, etc.

One of the major objectives of the classification or zoning plan was to make possible the development of units of local government which would correspond more closely to the ideal of the community unit which we have discussed in preceding paragraphs. It was felt that this objective might be approximated at least by providing optional forms of local government which might be adopted through local referendums. The extent of local self-government permitted the various units under such a plan would, of course, depend considerably upon local need and capacity for it as evidenced by their zone positions.

CENTRAL VERSUS DECENTRALIZED CONTROL

In the eyes of some close students the centralization in state authorities of administrative and supervisory functions which formerly were exercised locally is already evidencing its incapacity to measure up to its democratic responsibilities. The necessity for state centralized controls of health, welfare, finance, public works, education, police, etc., is not gainsaid, but there is among those most familiar with the problems of local government a recognition of the desirability of a more intimate contact between the service controlling authorities and the service consumers in their local situation. They are beginning to offer compromises between centralized control and decentralized local service which provide for the establishment of local administrative districts, so that ready and intimate contact and coöperation between state administrative district authorities and local self-government bodies may be maintained. The adoption of this scheme has been recommended by the President's Committee on Administrative Management in its recent report which says:

> At the present time there are 109 different plans of geographical subdivisions of the United States in use by the various governmental agencies for their local of-

fices. From the standpoint of the citizen this does not make good service or good sense. Government should, of course, be carried to the people through the decentralization of the Washington departments, partly to make it fit their needs, and partly to keep it from becoming distant and bureaucratic, but this decentralization need not be chaotic and conflicting, provided it is properly integrated at the center and subjected to over-all management.

The method of decentralization of necessity will vary from department to department and from activity to activity within the department. A general principle that may be laid down is that the decentralization should be geographical and that more and more of the administrative work of the executive branch be carried on in the field in regional units set up to cover all parts of the United States. In this way the government will be brought nearer to the people themselves and by this regional organization the federal government may the better cooperate with state and local governments in the conduct of its affairs.

This geographical decentralization also will diminish the waste of time and money, to say nothing of the patience of the people, entailed by excessive centralizaation of administrative activities in Washington. At the same time it offers the opportunity of lessening the insensitivity of the bureaucracy by bringing the persons who actually administer in detail the work of the government into touch with the people whom they serve in their own communities.

The safeguarding of the citizen from narrow-minded and dictatorial bureaucratic interference and control is one of the primary obligations of democratic government. It can be accomplished only by so centralizing the determination of administrative policy that there is a clear line of conduct laid down for all officialdom to follow and then by so decentralizing the actual administrative operation that the government servant remains himself one of the people in touch with the people and does not degenerate into an isolated and arrogant bureaucrat.

This principle, so clearly set forth by the President's committee, applies with equal force to state administration. By its application within the state, coupled with and conforming with a system of local government, based on a classification of state area and population in their relation to land use, the desired compromise between the controlling and supervising objectives of the state and the self-governing objectives of local units can be made effective. It will be possible then under such a coördinated state-local administrative system to determine accurately the desirable limitations of local self-governments in their several zones and adjust state constitutions and laws accordingly.

DISTRICT OFFICES

To produce best results in local government under such a combined state-local system it is highly desirable that the state administrative districts which may be defined for the various service functions shall as far as possible coincide. If, for example, the state administrative districts for health, welfare, police, education, and other related functions directly concerned with the citizen's daily life were coincident, it would then be possible to coördinate within one district office, for the convenience of the citizens and local government officials, all of the state services and facilities necessary for citizen advice, information, and aid. The formation of state districts would, however, need to be carefully studied in order that they might be adapted properly to problems of area, topography, distribution of population, and the degree of local self-government (home rule) permitted. The establishment of the system of local government according to the zone plan previously suggested would, however, determine in

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What Is Everybody's Business

Kansas practices economies made necessary by the depression but maintains essential services

BENJAMIN FRANKLIN *Former Business Manager of Kansas*

LIKE many another shibboleth, the old adage that "What is everybody's business is nobody's business" has been accepted as whole truth for generations, when, as a matter of fact, it is only half truth. Public business—the business of our states, cities, and counties, as well as that of the nation—is everybody's business; it is also definitely the responsibility of certain designated public officials.

Until recent years the great American public which footed the bills paid little attention to the way its money was spent. It was "come easy, go easy." Public officials generally meant well—and did the best they could—without, however, quite getting themselves steamed up over their employers' interest to the point of handling public funds as carefully as they would handle their own.

Kansas citizens generally in 1933, just as citizens of every state then and now, had no idea of the immensity of the state's business activity. They did have a very definite opinion that the tax collector was getting more than they could afford for state and local purposes. Few realized that there were then ten thousand inmates in the sixteen penal, charitable, and correctional institutions, ten thousand students in the five state schools, and that it required approximately four thousand teachers, administrators, guards, attendants, and other employees to administer the various schools and institutions. Altogether, the state was charged with providing for so many people in varying extents that if they had been gathered in one place, they would have made the fourth city of the state in size.

A kaleidoscopic glimpse of these institutions reveals births, operations, medical treatments, work rooms, spinning factory wheels, long tractor furrows in fertile fields, coal being mined far underground, schoolrooms filled with under-privileged boys and girls, steel doors clanking behind newly committed prisoners, solitary cells, strong rooms for hopeless maniacs, tragic idiots gibbering year after year to themselves, baseball games, picture shows, crowded dining rooms, crowded wards in institutions unable to keep pace with the ever increasing number of those unable to cope alone with life's battles.

Another glimpse of the state's multiple activities would show thousands of bright young men and women hurrying over university and college campuses, tumbling in and out of classrooms, studying myriad intricate problems in highly specialized laboratories, with equipment gathered from the four corners of the earth, attempting to probe farther and farther into the world of microscopic minutae and reaching farther and farther into the outer immensity of starry space; again whirring dynamos, this time used in evolving new human knowledge for man's use, patient experiment after experiment with new grains and grasses and crops, medical schools studying new ways to relieve such misery and suffering as the charitable institutions care for; veterinary schools seeking to eradicate animal diseases and discover more profitable methods of animal husbandry; roaring crowds at football games, college journals with their brimming interests, debates, dormitory life in all its phases, college politics and college society, in all their ramifications.

SOME PROJECTS OF THE STATE

The state farms twenty-two thousand acres of land, milks over one thousand cows daily in nineteen herds, raises four thousand hogs annually, operates seventeen laundries, several tailor shops, mines a trainload of coal each week at the state prison, converts a trainload of steel annually into auto tags, and manufactures four trainloads of binder twine annually, which, by the way, is the only manufactured article sold outside state institutions.

Governor Landon was elected on an economy platform. The legislature took him literally and reduced state appropriations generally by approximately 25 per cent for the fiscal year which began July 1, 1933.

Within six weeks after state appropriations had been made, Congress passed the National Industrial Recovery Act, and soon after that, the processing taxes were levied on many foods and fees by the AAA. The result, it will be recalled, was to send prices upward. State institutions were caught between the upper millstone of reduced appropriations and the nether millstone of rising prices.

In a series of conferences between the governor and various boards and commissions, it was determined to cut immediate expenses to the limit—and embark on a three-fold long range program to be carried out over a period of years as follows: (1) Cut costs drastically, eliminate all frills, reduce salaries, combine jobs, and above all, work for long range economy; (2) Begin a systematic effort to make boards and institutions more nearly self-sustaining; (3) Undertake to provide better service for the citizens of the state generally, offer better opportunities wherever possible to students in state schools and make life as livable as possible for the derelicts of the state's "city of ten thousand tragedies."

State salaries always have been low in Kansas and many of them had been reduced by the preceding administration, but with unemployment general, farmers in distress, and business men losing money, any job that provided bread and butter was welcome and the cuts were accepted almost universally without a whimper.

Leading business men were invited to assist in the purchasing program and the prompt coverage of the state's needs postponed the effect of higher prices for flour, pork, cotton goods, sugar, and other items which shot up in price.

The long range program grows more interesting year after year. State officials have had no occasion to modify the three-point program that was laid down. Each month the employees on the state payroll have shown increasing loyalty to its objectives and increasing efficiency in finding ways and means of reaching them. Meanwhile, the public, regardless of partisan differences, has indicated its emphatic approval, not only in Kansas, but in other states. Undoubtedly this applause has also had much to do with the continued enthusiasm of officials and employees for the program undertaken.

In reducing costs, a never-ending battle against waste was instituted. The idea of long range economy, not short range economy, has been kept constantly in the foreground. One of the first moves was to establish a state business laboratory for the purpose of testing goods offered by bidders on state supplies. Previous to 1933, all purchases except in the highway department had been made by "sight, smell, and feeling"—or dependence on the rectitude of the lowest bidder. The laboratory—fitted up at the Topeka State Hospital in an unused basement room, where the morgue had formerly been—soon changed all that. Better specifications—many not previously changed in fifteen years—were worked out, and we began to discover what was in those paints and lubricants and other commodities offered. Purchases were made "quality considered" and to secure long range economy.

ECONOMIES INSTITUTED

In a few months, purchase of many expendable items was radically reduced. Walls could be washed instead of being repainted. Clothing did not shrink off the unfortunate victims receiving it; food was eaten instead of being thrown away; machinery on farms, in the shops and mines was repaired; tool rooms were built to prevent "losses"; officers and inmates were given decent equipment; and output steadily increased.

Federal marketing specialists were called in to assist in the grocery and meat lettings, instead of the business manager, who knew nothing of canned peas and corn and apples, with his assistant and several stewards sitting solemnly around a table looking at, smelling, and tasting goods offered, as the former practice had been. Federal grades were specified under the new plan and samples were delivered at the laboratory where for three days, two grocery men, the laboratory director, and several clerks held an orgy of cutting, weighing, sampling, and grading.

A major attack was made on the fuel problem, one of the largest items of expense even in Kansas with its great state coal mine and its abundance of gas, oil, and coal. The prison mine is not permitted to sell coal on the open market, but only to state institutions. It is, however, unable to supply all of these, due partly to the solicitude of officers in the state prison mine for their subordinates, partly to the solicitude of the subordinates for themselves, and partly to a shortage of labor in which I believe the Kansas prison is more or less unique.

Reduction in gas rates, secured only after months of resistance by the gas companies, changes from coal to gas and oil, installation of mechanical stokers, and insulation of steam pipes cut the fuel bill by tens of thousands of dollars annually.

All institutions were directed to save every usable scrap of clothing and food. By mending and saving and reissuing old shoes and articles of clothing instead of providing new ones, over $10,000 was saved in the penitentiary alone during one six-months period.

Soap-making, tool repair, salvage of old iron and brass, home butchering, lard rendering, and transfer of excess equipment or supplies from one institution to another were all undertaken. Two or three institutions which had been selling garbage very cheaply or giving it away started to raise hogs at almost no cost.

The state has always been proud of its institutional dairy herd—milk and meat are the two largest items on the menu. In only one or two institutions was there milk enough to make butter. It seemed to me, after years of boyhood experience in milking, that we should produce our own butter, so I directed that no good heifer calves should be sold from any state herd. The institutions are now beginning to reap the reward of that step and are starting to make their own butter.

A single change in procedure in the laundries suggested by the laboratory director effected a saving annually of more than the annual cost of maintaining the laboratory.

Under the instruction of the laboratory director, the prison started making insecticides for use in the state institutions at a cost of only forty cents per gallon; and for the purpose intended, it seems to be just as efficient as the three dollar article formerly purchased. Many other items such as sweeping compounds, floor polishes, disinfectants, and the like are no longer purchased but prepared by the custodians in each institution.

PAROLE SYSTEM INTRODUCED

As another cost-reducing move a modern parole system was set up. The state had never had a systematic and comprehensive system of looking after its paroled convicts and juvenile offenders. As a result, there were an excessive number of men and boys and girls who were unable to adjust themselves after release and soon got into new difficulties, then came back for the state to support. Accordingly, the state was divided into districts and well paid, carefully selected parole officers were placed in charge of each district. They were directed to spend full time—often it was sixteen hours a day at first—getting jobs for their wards, helping them with family difficulties, and trying to make decent citizens of them.

These parole officers were instructed to waste little time on those who could not or would not keep out of difficulty. The rule of "the greatest good to the greatest number" was strictly adhered to. Time and again, parole officers were told that the state would rather return a convict before a serious crime than after it. As a result, a remarkably fine record has been achieved. Returns are far more infrequent than before the system was established, local police officers have more peace of mind, and in addition to the great gain in human values, it costs only about 5 per cent as much to supervise parolees outside an institution as it does to maintain them inside.

An effort was made to get the hospitals for the insane to use social workers and out-clinics and their agencies and so return several hundred senile and other non-dangerous cases to their homes. Success here for three years was negligible—chiefly due to the attitude of the superintendents of the hospitals. It was not until a new superintendent and much younger man was secured for the Osawatomie State Hospital that a program of out-clinics, preventive treatment, and social workers was undertaken. It is still too new for us to form an estimate of its success in reducing institutional population and costs. Up to now, however, there is no reason to believe it will not be a substantial success from every angle.

In the matter of increasing revenues there have also been marked improvements.

In Kansas the highway department is financed entirely from gasoline, vehicle licenses, and mileage taxes. Governor Landon's administration inherited a deficit of over a million and a half dollars in the highway department. Then the governor recommended—and got—a 50 per cent reduction in vehicle license rates which reduced revenues by about three million dollars annually—and gives Kansas citizens, so I am told, the lowest priced car licenses in America. To eliminate the deficit and offset the reduction in receipts from license fees he asked the legislature to plug the holes in the collection of gasoline and mileage taxes. The lawmakers acceded to his request; a system of ports of entry on the main highways into the state was set up; and running "hot" gasoline became an exceedingly precarious business. Gasoline tax collections increased amazingly. Receipts from mileage taxes were more than doubled. No new taxes were levied and the highway deficit was paid off. Maintenance was not slighted, chiefly no doubt because its efficiency was improved and its cost reduced.

TAXATION CHANGES

All state departments and institutions except the highway department had always been supported chiefly by a property tax, supplemented to some extent by a tax on cigarettes, a tax on insurance premiums, and an inheritance tax which yielded less than half a million annually.

The cigarette tax had been increasingly ignored—dealers seemed to be always forgetting to put the stamps on. A new boss, a new set of inspectors, and a new stick-tight stamp has practically doubled receipts from this source.

One new tax was introduced—an income tax. It yielded less than one million dollars the first year and has increased to about one and three-quarter million dollars annually. To offset this increase in revenue, the property tax levy was reduced to the lowest figure in twenty years, and with lowered valuations now yields less than at any time since 1912.

In carrying out the third major feature of the long range program, many improvements have been achieved. In the highway department a small state patrol was established; bank robberies have almost ceased; and the patrol made a splendid record in running down some of the worst "bad boys" of the country.

Another improvement in the handling of criminals occurred at the state prison where it was decided to abolish a home for ancient and decrepit political wheel horses and hire able bodied guards—preferably those who could—and on occasion would—shoot. Age limits were established and a merit system inaugurated. Mental, physical, and marksmanship tests were required and breach of discipline now leads to immediate dismissal. An eight-hour day for guards on post was established where previously it had been twelve hours.

SERVICES IMPROVED

Several institutions, especially juvenile institutions, had very poor provision for hospital and dental work. Consequently, hospitals, operating rooms, and dental offices were fitted up in every case where they could be used. Every possible care is being taken to provide adequate physical corrections for boys and girls where formerly there was a tendency to regard this as beyond the state's responsibility.

A recreational program was also undertaken in charitable, correctional, and penal institutions. Radios were provided in the blind school, the industrial schools, and the hospitals. Modern moving picture machines were purchased for every institution where they could be used and weekly picture shows with the best films obtainable are being given.

New playgrounds were graded and equipped at an expense of several thousand dollars each in the orphans' home, the boys' industrial school, the state school for the deaf, the state training school, and the state hospital for epileptics. Landscaping plans were prepared and a program of beautification undertaken at all institutions.

Standards in the state university and colleges have been high always and no effort has been spared to maintain them. An interesting innovation was made at the Fort Hays State College, where several barracks abandoned by a CCC camp were adapted for boys having limited funds. They were charged one dollar per week for room and two dollars for board at a special mess. In Kansas' two colored vocational schools, standards have been greatly improved. Teachers and curricula must now be approved by the state superintendent's office, where formerly these schools were good for little except political purposes.

It has been the aim of the state administration in Kansas to so conduct the financial affairs of the state that the threefold program outlined at the beginning of the administration could be accomplished. Officials try to remind themselves that every dollar that can be saved on waste is a dollar more to send some boy or girl to college; or that it will save a dollar for some farmer or home-owner, whose taxes should be further reduced.

Whenever a thousand dollars can be saved on buying goods, the state can give the care needed to half a dozen discouraged men and women in our insane hospitals that may keep them from a life-time of hopeless insanity. When farms and dairies can be made to produce the food needed, more wasted bodies can be sent to the state sanatorium to save them from the terror of the great white plague.

What is made on binding twine and auto tags and canned goods can be spent on surgical supplies, clinics, and operations. Dollars and cents in the state institutions frequently mean life and death. Beans and boiler compound, coal and cotton goods, hardware and hundreds of other items which the state buys and ships and stores and uses, mean the breath of life to thousands of men and women.

There is a continual effort being made in Kansas to improve the conduct of public business, provide better opportunities for the young people in the schools, give better care to the unfortunates who have been bruised in life's battles; and most of all, do what any loyal employee should do for any just employer, intelligently serve the interest of that employer, who in our case is the taxpaying public of the state of Kansas.

PERSONNEL IMPORTANT

People here, as in the United States generally, are essentially conservative. In spite of new or modernized constitutions in a few states, the adoption of city commission and city manager systems in some cities, and combination of counties here and there, most state and local administration is handled through practically the same sort of public organization as that which has been used since the Civil War. In consequence, good conduct of public business depends chiefly on good personnel, including the attitude of the electorate toward its common business.

Kansas has been more successful with its state finance and public affairs during the last few years than some of its neighbors because its own people have shown more intelligent, persistent, and friendly interest in what public employees were doing. Governor Landon, credited as he is with much of the honor for the showing made, has frequently testified to this fact. The present high morale of public employees in the state will probably last until the public wearies of well doing. Democracies get just about what they demand. What is everybody's business is somebody's business. It is the business not only of the hired public servant, but the business of every voter and every taxpayer. Eternal vigilance is the price of good government.

The State Runs the School in North Carolina

The Tar Heel state still superintending the destinies of its younger generation

JOHN PEELE *Elizabeth City, N. C.*

While the national administration has achieved in the past four years a degree of federal centralization undreamed of before 1933, an unnoticed southern state has been quietly pioneering along the same trail of administrative concentration.

Today the North Carolina state government builds and maintains every mile of arterial highway and obscure country road within its boundaries. That same state government supplies all the support necessary to keep every schoolhouse open eight months. The same government approves and markets every municipal or county bond issue.

Perhaps none of these experiments is more striking than the revolution in education. The skeptic may assuage his doubts if he will harken to the story of Mary and Johnnie, of Willie and Lizzie.

Six years ago Willie went to high school at Blank Cross Roads in North Carolina. In the wet, cold mornings of a southern winter he rode to school in a creaking bus bought and operated by Blank County. Running down the hall, he stomped his feet on the floor of the frame building built by the county. He played baseball on the school nine and swung a bat bought by the county. He listened to a teacher paid by the county. He was called to account for his misdemeanors before a principal paid by the county. The county kept the schools open from harvest time until spring planting, which was usually six months. The rest of the year the county commissioners thought Willie ought to help on the farm.

His city cousin Mary went to high school in Blank Town six years ago. She changed classes in a handsome brick building erected by the city. She became the pet of a teacher—paid by the city. She went to school ten months for twelve years—at the expense of the city.

By 1937 Willie and Mary had graduated. Willie's sister Lizzie now rides to school in a steel-bodied bus—bought by the state and driven by a bus driver—paid by the state. The bus driver drives over roads—maintained by the state. But Lizzie has to ride five miles further than her older brother did, for she goes to a brick school building—built by the state (with federal funds). Her new school is not the Blank Cross Roads school of Blank County, but the consolidated rural school situated in an adjacent county. Lizzie flirts with a young math teacher—paid by the state. She is haled before a principal—paid by the state—for flunking her French. She and other country girls all over the state used to attend school for eight months. Lizzie's mother, who is president of the parent-teachers' association, protested to the county superintendent—paid by the state—that she could not spare Lizzie eight months. So Lizzie now goes to school six days a week for six and a half months in order that she may be free to help with the canning and household duties at home during the busiest half of the year.

Johnnie now in school at Blank Town is studying to be a printer under a vocational instructor—paid by the state. Johnnie uses presses and type bought by the state. His best girl is taking domestic science. She cooks on ranges bought by the state, and her sister, in a commercial course, bangs on a typewriter provided by the state. Johnnie, like his country cousin, goes to school but eight months a year. Consequently if he should enter college, he will have to take a college entrance examination. His teachers get their pay checks from the state. Although they must pay more for rent and board, they draw no more salary than their college roommates teaching at a consolidated rural school.

In short, by act of the legislature, the state of North Carolina has taken over the entire school system, body and soul—possibly not quite, for the local citizenry still elect members of the school board who are responsible for policy.

North Carolina did not take over the maintenance of more than a thousand schools in the state as a matter of pioneering in education. There was no thought of setting a progressive course which sister states might follow. It was a question of dire necessity. If school doors were to stay open in 1933, the state had to keep them open. Municipal and county credit had been tortured and strained to the limit. Cities all over the state were defaulting on their bonds. Counties were little better off. Property, seized for taxation, would not bring the price of the taxes against it when sold under the gavel. Racked and exhausted by four years of depression, the whole nation lay prostrate. The bottom had fallen out of prices on North Carolina crops. Factories all over the state—save the tobacco mills in Winston-Salem and Durham—slowed and staggered production until they were almost ready to shut down.

SCHOOLS KEPT OPEN

In the shadow of national gloom the general assembly met in the spring of 1933. A great wail went up from large property owners: schools, they demanded, must be closed for one year. Mothers, fathers, and college professors rose up in arms against such a proposal. Piloting a careful course between Scylla and Charybdis, the governor recommended that the state take over the maintenance of the whole public school system. He suggested the imposition of a 3 per cent sales tax to meet the major part of the expense of such a program. For five months the legislature wrestled, strove, and agonized to find another way out. Finally it capitulated. An eight-months school term supported by a sales tax it should be.

By the fall of 1933 the new state administration had been established. A state school commission was set up to administer the meager $16,000,000 allotted to maintain the whole educational system. The results were often disheartening. The commission fell short of money to buy coal. Children shivered in cold March behind chilled desks in nigh unheated class rooms. Chalk ran short. School teachers were placed on a salary schedule ranging from a low of $40 to a top of $90 a month.

Yet while communities and cities in other states defaulted on the payment of teachers' salaries, North Carolina managed to pay the instructors of her children all that she had pledged them —little as it was. While Chicago ran many months in arrears on checks for teachers, the Tar Heel state mailed each teacher's pay every month without fail. Other counties in other southern states might close the doors of their schools. North Carolina would keep hers open.

So the teachers, the children, and the school commission struggled through the term of 1933-34. The second half of the biennium eased the hardship and strain on the state school system. Under its discretionary powers to contract or expand the budget to meet revenue, the budget commission increased funds for the operation of the schools enough to iron out inequalities and to adjust pressing difficulties.

In 1935 the legislature reassembled to view its handiwork. A mighty groaning arose from the Goshen of the big cities. They had been shorn of their finely built, long term school systems. Organized teachers murmured against common labor wages. Rural parents lamented the consolidation of traditional rural schools and the near breakdown of the school bus system. Yet no alternative presented itself. The nation had advanced too far out of the depression for the legislature again to consider closing the schools. Counties and municipalities still lingered too near the brink of bankruptcy to think of shouldering their old burden again.

So the general assembly did its best to overhaul the strained machinery of the hastily enacted emergency school act of 1933. Teachers' salaries were raised 15 per cent for 1935 and 5 per cent more for the following year. The allotment for actual operation of the schools was jacked up. In order to accomplish this feat and still balance the budget, the legislature found it necessary to drop all exemptions from the sales tax on what were known as the necessities of life. They included flour, milk, fatback, cotton cloth, restaurant meals, etc. The cry against the sales tax, however, did not grow more strident because of the inclusion of these "necessities" of life. In addition, the new provision strengthened the enforcement of the revenue act by preventing merchants from padding their sales records with exempted items.

DIFFICULTIES ADJUSTED

In the two years that followed, the state's difficulties with its operation of all the schools began to adjust themselves. Tax collections picked up. Teachers ceased to grumble about salaries when candidates for all offices promised that they should get still another raise in 1937. School bus schedules were smoothed out. Rural fathers and mothers became reconciled to the consolidation of schools and the obliteration of county lines. A six-day school schedule enabled the country boys and girls to round out their eight months of education in six and a half months in order that they might help on the farm. The standards of teachers employed by the state grew steadily higher. City schools, which received such a body blow when they were humbled to improve the level of rural schools, began to scramble back to their feet. In special elections, those municipalities not overwhelmingly buried in debt, voted to supplement the state appropriation in order to provide longer terms and better salaries. The state law required, however, that such appropriations must be approved by a plebiscite in the city or county.

Meanwhile the state launched in 1934 a drive for improved vocational education. Agricultural teachers are now supplied to almost every rural school, and commercial courses are given in all town schools. Today North Carolina schools probably offer more vocational courses than at any previous time.

How far does this centralized state authority that provides all funds for operation of the schools for eight months venture into the field of local school administration? First, the commission prescribes and supplies the textbooks for use throughout the state. Second, it allots teachers on a uniform basis to the one hundred county and sixty-nine city administrative units. Teachers are apportioned to each unit according to a teacher load scale based on daily average attendance. (Some instances have been uncovered of attendance records that were padded to prevent a faculty from being shorn.) Third, the commission requires teachers to hold certificates that they have taken certain college work and have done practice teaching. Fourth, the commission can abolish a local school by consolidating it with a neighboring school. So far the commission has shown consideration for local sentiment in its reluctance to merge small schools against the protests of parents, children, and superintendents.

Here the scope of state school administration stops short. A local school superintendent still decides whether the curriculum shall include Latin or French, agricultural or industrial courses in vocational instruction, economics or ancient history, public school music or biology. County or municipal school boards still elect the superintendent, the principals, and the teachers for their children and their neighbors' children.

How about the future? Today no one in the Tar Heel state seriously considers any alternative to state education. The state legislature has just enacted a further 10 per cent salary increase for all teachers. New tax sources, made available by constitutional amendments passed last fall, will provide the needed revenue. The governor in his inaugural address advocated an even greater emphasis on vocational education. He has also championed successfully free text books in elementary schools to be supplied by the state instead of the present system of state rental of textbooks.

Thus North Carolina pioneers in its experiment with a state public school system. Problems loom ahead. Can the continued levy of a 3 per cent sales tax be justified? Will the state turn back to the general property tax that locally supported schools before 1933? Can the increasing revenue needed to support a state-wide school system be found elsewhere?

Equally important perhaps is the question of whether state centralization will be extended or curtailed. Will the state further adventure on its experiment in education by providing a nine-months term and a twelve-year school program? Will state authority impose a more rigid state-wide course of instruction? Or will local authority reclaim part of its surrendered right to support and maintain its own schools?

Will such a program work for other states? Several peculiar factors have contributed to bring North Carolina's unique school system into being. The first factor, of course, was financial necessity. Other states which have climbed out of the depression are unlikely to face similar conditions until the bottom drops out of the present boom. A second factor must also be reckoned with. North Carolina has no sizeable cities. Her largest municipality can claim only eighty thousand in population. Consequently there are no elaborate municipal school systems. But would the neighboring state of Virginia, for example, venture to take over the schools of such cities as Richmond and Norfolk? In the larger states such as New York, Illinois, or California, such a program would present almost insuperable obstacles in overcentralized administration.

Interstate Problems In Social Security

Residence requirements, interchange of assistance, interstate employment, and migrants among important questions to be considered

A. J. ALTMEYER *Chairman, Social Security Board*

PROGRESS toward security is characterized as "a great coöperative enterprise" in the foreword to the First Annual Report of the Social Security Board. The social security act empowers the federal government to enter into a long term partnership with its states and their localities; it outlines a framework within which all three—federal, state, and local—may work together to protect the American people against economic hazards which cannot be met by anything less than a coördinated nation-wide attack.

This coöperation between government at various levels has proved as necessary to the success of the program as it is explicit in the terms of the act. But the very nature of this relationship raises other problems and demands another kind of government coöperation. A year's experience has shown that coöperation for social security must work not only along the vertical lines correlating federal, state, and local units, but also along horizontal lines among the several states.

The interstate implications of the social security act are an inescapable by-product of the act's emphasis upon individual state action and state responsibility for social security legislation. In a country as large and diverse as the United States, there is ample justification for the position taken by the social security act in reserving to the states the major responsibility for initiating and administering social legislation. Such legislation has no meaning except as it meets the needs of individual men and women and children. State governments are necessarily nearer to the people than the federal government in Washington and thus better equipped to set up practical plans in line with local needs. In the allocation of authority between the federal government and the states, the social security act therefore depends in the main upon state action; the old-age benefits program is the only part of the act to be directly administered by the central government. This localization of authority under state jurisdiction places upon the states the responsibility for making the social security program a success throughout the country.

The broad outlines of the act reserve to the states a very large measure of freedom. The diversity which results from this flexible arrangement is particularly evident in relation to public assistance—aid to the needy aged, the needy blind, and dependent children—and to unemployment compensation. In both, the state is charged with responsibility not only for financing, administration, and the selection of personnel, but also for setting up standards of eligibility and determining how much shall be paid to individuals and under what circumstances payments shall be made.

Every one of these duties involves many problems, and these problems, as encountered in the individual states, differ. They differ not only because of the wide variations in state and local resources, the character of the states' economic life, and their past experience in public welfare and social legislation, but also because of divergences in their traditions and the social outlook of their people.

These differences are what cause interstate problems and make interstate coöperation imperative. Though these problems are serious, they are by no means insurmountable. The social security act furnishes a solid foundation which provides a nation-wide pattern, assures the minimum essentials, and serves as a basis for interstate coördination. The states have already shown a willingness to look beyond their own boundaries, an awareness of the need for coöperative action, and a readiness to work toward it which gives much hope for the future. Some of the practical problems already raised in relation to public assistance and unemployment compensation will perhaps best serve to point up these interstate aspects of social security legislation.

In public assistance, during these first months while state programs have been getting under way and the load of applications has been heavy, problems relating to residence have been frequent. These are particularly perplexing because discrepancies between the provisions of various states leave some applicants in a kind of "no man's land" not covered by any state assistance plan.

The social security act makes certain general requirements regarding residence to which all approved state laws must conform. These requirements, like those relating to age and citizenship, make for a more liberal interpretation of eligibility for assistance than those embodied in most earlier state and local assistance provisions. The act provides that no approved state plan shall exclude anyone from either old-age assistance or aid to the blind on grounds of insufficient residence who has lived in the state for five out of the last nine years and for one year continuously before making application. No dependent child may be denied aid on these grounds who has lived in the state for one year or who has been born in the state within the year, provided the mother had lived in the state for a year preceding his birth. A state may make its residence requirements more liberal; it cannot make them less liberal. No local—town or county—residence requirements may, for example, be imposed which would exclude otherwise eligible persons from assistance under approved state plans.

STATE RESIDENCE REQUIREMENTS

The majority of the states have adopted substantially the definitions of residence embodied in the act; eight of the forty-two states with approved old-age assistance plans have made their provisions slightly more liberal, as have eleven of the twenty-eight states with approved plans for aid to the blind. For aid to dependent children all the twenty-eight participating states have adopted the residence requirement of the act except Vermont, which makes no requirement regarding residence for this form of assistance. Much of the insularity of earlier assistance provisions has thus been broken down, and considerable uniformity among state residence requirements has already been secured. But there has been one hitch in this progressive development. In defining and interpreting "residence" and "legal settlement," each state follows its own precedents; and since the point of view and practice of the several states is frequently divergent, many anomalies still remain.

Some states, which have long been accustomed to the employment of migrant workers and in which there is not likely to be any great influx of potential dependents, are liberal in their interpretation of residence and lay no great stress on "legal settlement." Others, for various reasons, have adopted a considerably more stringent policy. In some of the older states with strong precedents of local responsibility, certain traditional barriers still tend to exclude "outsiders" from state aid. In others, where a favorable climate is attractive, particularly to old people and health seekers who are likely to become dependent, there is a very real possibility of overloading the state with a disproportionate assistance burden. Such states are likely to make their definition of residence more restrictive. Under these circumstances, many people who are in need of assistance cannot receive aid, because they have lost legal residence in one state and have not yet established it in another, and others are compelled to stay in one state when they could be better and more economically provided for in another.

NEED FOR INTERSTATE AGREEMENTS

Three possible ways of meeting this problem have been discussed—the abandonment of all settlement laws, the enactment of uniform settlement laws, and the development of interstate agreements to care for non-residents. Of these alternatives, the last is probably likely to prove most feasible at present and, as a matter of fact, steps in this direction have already been taken.

This proposal calls for reciprocal agreements for interchange of assistance responsibilities between the several states. Where the number of cases involved is substantially the same in any two states, such an arrangement would be equitable and relatively simple to administer. In the states which are most subject to immigration from other parts of the country, this interchange basis might not be sufficient; if so, it could be supplemented by some provision for charging back part of the cost to the state of original residence.

Such agreements are of advantage both to individuals in need of assistance and to the states. A rigid enforcement of residence requirements may work many hardships, particularly upon the aged. If, having moved from his old home in search of work or health or to live with relatives, an individual then becomes dependent, he may find that he is ineligible for assistance in both states. He is no longer a legal resident in the old state, and has not yet established residence in the new. Another kind of problem occurs when a dependent person would be better off if he moved to another state, but is compelled to stay where he is or lose assistance. Take, for example, the case of an aged widow left entirely alone after her husband's death except for a married daughter living in another state. The daughter offers her mother a home, but cannot support her without some aid. The mother would be happier and better cared for with her family, but she cannot move and still receive her old-age assistance payments from her own state. Yet the move would be not only better for her but more economical for the state since, if she lived with her daughter, she would need only a small supplementary payment instead of the entire support which the state is compelled to pay as long as she lives alone.

Some steps have already been taken toward interchange of assistance responsibilities. California and Maryland are already giving assistance to persons in other states upon the investigation of the proper agency in the state where the recipient is now living. And much of the new legislation authorizes the state administrative agency to enter into agreements of this kind with the agencies of other states.

Another point at which public assistance crosses state lines is in securing and verifying information relating to applicants. Age and citizenship must be established, resources looked into, relatives interviewed. Every state agency must frequently ask the help of agencies in other states in these and other details of adequate investigation. But without uniform procedures, this exchange of services frequently involves unnecessary work on the part of the state from which inquiries are requested, and in some cases, more expense than the coöperating state should be asked to assume. Time and effort are often wasted because the request for information is not clear and accurate. Sometimes, too, through ignorance of distance and transportation difficulties, one state may ask another for investigations which necessitate more travel and time than is warranted. Interstate agreements would help to eliminate these difficulties. The states could determine what kinds of services could legitimately be requested, they could work out standard forms for both requests and reports. At the same time they might well agree that each state would assume responsibility for paying the cost where time-consuming investigations were made at its request by an agency in another state. The possibility of some such agreement is already being explored with a view to establishing the necessary procedures.

In addition to these two problems where the possibility of interstate agreements has already been discussed by the states and the Social Security Board, there are a great many broader problems relating to eligibility and to standards of assistance on which the experience of each state is of value to others. The Social Security Board acts as a clearing house for such information and is prepared, at any state's request, to give its fullest coöperation in the development of the state's public assistance plans. But both the act itself and the policy of the board have consistently emphasized that it is the responsibility of each state to study its own needs and resources and to make its own decisions in the light of these findings. The board is not interested in setting up any rigid patterns. It conceives of the federal-state public assistance program as forming an integral part of each state's public welfare provisions and believes that, if it is to take its place in each state as part of a well rounded and carefully planned program, it must be firmly rooted in local understanding and support.

UNEMPLOYMENT COMPENSATION

The Social Security Board takes a similar position in relation to unemployment compensation. The social security act does not establish a system of unemployment compensation. What it does do is to reduce the barriers which have stood in the way of such legislation on the part of the states by removing the competitive advantages of employers in states without such provision. It thus makes it possible for every state, if it so desires, to provide this protection for its own workers without putting a burden not found elsewhere upon its own industries. The act establishes only a few minimum requirements for state conformity in unemployment compensation and expressly reserves to the states a wide area of freedom in developing provisions suited to local economic and industrial conditions. This flexible arrangement has the very great added advantage of giving ample opportunity for variation and experiment in a field of social legislation in which this country is still pioneering. The practical experience which is accumulating as state unemployment compensation laws go into effect will furnish the most valid basis for determining what methods and procedures hold most promise. Meantime it is already apparent that in unemployment compensation the need of coöperation among the states, as well as between each state and the federal government, is particularly urgent. Some of the most perplexing problems already encountered—those relating to unemployment protection for workers whose employment carries them into more than one state—point explicitly to this need. A number of conferences have already been held and through these discussions the problems have been clarified and some practical sugestions made for meeting them through interstate agreement.

Perhaps the most important group of interstate workers is made up of those whose jobs for one employer carry them across state lines in the ordinary course of employment. This includes those engaged in transportation of all kinds, those who go out into the field on construction and similar jobs, traveling salesmen, and the endless varieties of persons whose work involves more or less travel. The problem is: shall employers of such persons be compelled to pay unemployment compensation, often under diverse provisions, in every state in which their employees work; or can the states reach mutual agreements whereby all unemployment compensation contributions for an individual worker can be made in one state, and all his benefits be payable in the same state?

The advantages to agencies administering unemployment compensation, to employers and to workers of establishing uniform state provisions and interstate agreements covering these points are obvious. For both the administrative agency and the employer coverage within a single state means a great simplification of record-keeping and procedure and consequent reduction in expense. For the worker it means increased assurance of benefits in case of future unemployment. Since each state bases duration of benefits on the amount of past earnings or employment covered by its law and requires a specified period of employment before the worker is entitled to any benefits, a division of coverage between several states might greatly reduce the duration of benefit payments or might even in certain cases exclude workers from any benefits.

DEFINITION OF INTERSTATE EMPLOYMENT

At present the prevailing opinion is that this problem can best be solved by adopting a uniform definition of interstate employment which will allocate all responsibility for the unemployment compensation of a given worker to a single state. All the difficulties in the way of such a solution have not yet been met. The definition of interstate employment has gone through a long evolutionary process which is not yet completed and meantime many of the state unemployment compensation laws already passed would require amendment to enable the states to adopt such a definition. The first unemployment compensation laws to be passed defined employment as including simply work of which all or the greater part is performed within the state. More recently, however, it has been felt necessary to set up numerous criteria in arriving at a definition of employment. The laws most recently enacted therefore define employment as including an individual's entire service, performed within and without the state, if it is localized in the state to the extent that the service outside the state is temporary or transitory in nature. In addition, there is included service not localized in any state, if some of the service is performed in the state and the base of operations or control, or the individual's residence, is in the state. Under these criteria the majority of cases of employment in more than one state can be definitely allocated to one jurisdiction.

Conferences between members of the Bureau of Unemployment Compensation of the Social Security Board and state administrators are working on the details involved in such a definition. Their objective is to establish a basis of coverage which will be not only uniform but readily determined; it should not involve points which require elaborate records or complicated computations of employment; it should leave no loopholes for conflicting interpretations, but should rather be as simple and as nearly automatic as possible.

Interstate problems are raised by two other groups of workers—those who may become unemployed in one state after establishing unemployment compensation rights in another, and those migrants who do not work long enough in any one state to be eligible for compensation in case of future unemployment. A number of state laws contain provisions which would enable the state to enter into reciprocal agreements for payment of benefits to workers covered by its law who become unemployed in another state, and this problem is receiving detailed consideration. But both these groups present many difficulties and any solution would appear to necessitate considerable amendment to much of the existing legislation.

The need for a certain degree of interstate uniformity is also apparent in relation to the records and reports required of employers. An employer operating in a number of different states may have to keep a different kind of record for his employees in each state. The recent trend in a majority of states to make earnings, rather than employment, the basis for the payment of benefits has the advantage of furthering interstate uniformity, as well as of simplifying records.

These gaps and conflicts between the unemployment compensation legislation of the various states are a matter of serious concern to state administrators and to the Social Security Board. The genuine interest of state administrators in working out intelligent and mutually satisfactory agreements offers very real hope of finding sound solutions for these and other problems.

In the fields of both unemployment compensation and public assistance, frequent conferences between state administrators and the staff of the Social Security Board are forwarding the cause of coöperation in social legislation. Such conferences are perhaps our best means of pooling experience and of developing a broad perspective.

MANY GROUPS INTERESTED

Meantime other groups are also devoting much time and effort to the study of these problems. As long ago as 1930 the American Public Welfare Association organized what is now its Committee on Interstate Problems. More recently, the Council of State Governments has established an Interstate Commission on Social Security and Public Welfare. At the council's third general assembly, held in Washington, D. C., January 21 and 22, 1937, interstate problems of public assistance and unemployment compensation were discussed in detail, and resolutions, developed by this interstate commission under the chairmanship of William P. Ellis, commissioner of institutions and agencies in New Jersey, were passed by the council. The resolutions which bear most directly upon the problems discussed here made the following recommendations:

That uniform settlement laws be enacted, providing for one year's residence as a requirement for gaining settlement, and that provision be made for retaining settlement in one state until settlement is acquired in another state;

That states adopt the uniform transfer of dependents act which would authorize their state public welfare agencies to enter into reciprocal agreements with the corresponding agencies of other states in relation to the support and transfer of non-resident dependents; (This model law has been recommended to the states by the Commission on Uniform State Laws, the American Bar Association, and the American Public Welfare Association.)

That the Council of State Governments undertake studies relative to unemployment compensation and report their findings and recommendations to the Interstate Commission on Social Security by July, 1937. These studies are to cover problems of uniform determination of wages earned in more than one state and problems of uniform state laws relating to disqualifications for benefits.

In addition, the council also passed resolutions calling for federal responsibility for old-age assistance and other forms of relief to Indians; for federal appropriations for relief of transients and other unsettled persons; for authorization of state departments of public welfare to take certain measures to promote adequate relief to transients and persons whose legal settlement is temporarily in question; and for study of problems arising through unemployment in industrial and agricultural areas, which are undergoing fundamental economic changes, with the aim of providing for the retraining and relocation of workers.

In presenting these resolutions, Mr. Ellis pointed out that, "The existence of this commission is evidence that we are at last mindful of our inconsistencies....One thing is certain at the moment and that is, the administration of social security and public welfare laws has definitely outgrown the capacity of the locality and the individual state. Each of these levels of government can contribute effectively towards the whole program which must inevitably require the coöperation of the federal government to provide leadership, basic standards, and financial support. That pattern of coöperation has now been established. It remains for us to consider means of making it more effective."

With the broad freedom of action assured to the states under the social security act goes an equally broad obligation to enact social legislation which is practical and which will actually attain its objectives. The Social Security Board is prepared to make experience known from state to state, and to give as full coöperation to the states as they request and as its powers permit. It does not underestimate the difficulties that have been and will be met. Recognizing the very real values of localization by states to meet varying economic and social conditions, it is prepared also to meet the problems entailed in such a policy. For this and other reasons it regards as one of its most important duties the obligation, placed upon it by the act, of studying the operation of the present program and of recommending such changes as seem most likely to promote its objectives.

The experience accumulated in our first year under the social security act has demonstrated the capacity of the states to deal with these basic needs and gives definite promise that interstate problems will yield to the joint efforts for their solution which have been so well begun. In this single year more than 1,500,000 of the needy are now being given assistance through federal-state coöperation in forty-three states. In round numbers approximately 18,000,000 workers are employed in jobs covered by unemployment compensation provisions in the thirty-eight states with laws already approved, and in five additional states unemployment compensation laws have recently been passed. Legislatures in most of the states not yet fully participating in the act are now considering action looking toward further coöperation in the nation-wide program. Meantime, states in which public assistance and unemployment compensation provisions are already in operation are working toward more effective procedures both in their own states and in their relationships with other states and with the federal government.

Social legislation can never be divorced from the problems of the individual states and communities which it serves. But though the problems it is designed to meet are in one sense local, they are never merely provincial. In a closely knit industrial society like ours, isolation is already a thing of the past. The federal government, the states, and their communities are learning that they must —and can—develop the capacity to see both the forest and the trees. This broad perspective on both nation-wide and local issues, coupled with intelligent open-mindedness to change and growth, and a determination to profit by the lessons of our own experience, will assure our continued progress toward securing the basic essentials of economic and social welfare throughout the length and breadth of the country.

EDITOR'S NOTE.—This is the third of a series of articles appearing in the REVIEW dealing with administration of the social security act. The first two will be found in the February and March numbers.

LOCAL SELF-GOVERNMENT

(Continued from Page 174)

large measure the requirements of the state administrative district scheme.

A recapitulation of our thesis is in order. On the basis of the writer's experience with local government for twenty-five years both in governmental research and in citizen movements for local government rehabilitation, these tentative conclusions are offered:

1. That the preservation of the democratic foundations of our government depends upon the readjustment of local government units to the purposes of self-government;

2. That through centralization of authority and responsibility always upward from the local governing unit to the state and national governments, local self-government is being devitalized;

3. That local self-government can be revitalized only by a readjustment of its units in such a way that each unit shall represent as far as possible a community of social and economic interest;

4. That the zoning of state area and population in accordance with land use offers the most satisfactory plan for determining the limitations of both state and local self-government responsibility and capacity;

5. That by means of such zoning and the adaptation of the forms and duties of local government units to the needs and resources of the several zones, "community of interest" is given opportunity to develop through citizen initiative;

6. That the decentralization of state administration through the establishment of administrative districts which shall bring necessary state services and facilities closer to local self-government and complement its activities, is a desirable next step and should conform as far as practicable to the zone plan of local self-government.

RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmsted

Council-Manager Plan Developments.—In several states where the type of city government depends wholly or partly upon special legislative acts for each city, bills have been or will be introduced to broaden home rule powers.

The Illinois legislature, which previously gave only cities and villages under five thousand population the right to set up council manager government, has before it a bill to extend the enabling provision to cities of any size.

The legislature of Maine is considering a bill to authorize towns to establish the office of town manager. At present municipalities seeking this plan must secure a special charter from the legislature and submit it to local referendum. The proposed law is unusual in its provision that two or more towns may unite in the employment of a town manager. Meanwhile several towns have applied to the legislature for manager charters.

A council manager enabling act for Indiana cities was introduced at the present session of the legislature but defeated in the senate because of the failure of a motion to suspend the rules and permit it to advance. There is a real revival of interest in the plan among many cities, including Huntington, Jeffersonville, and Gary. Several years ago the Indiana supreme court declared the old act invalid.

A bill has been introduced in the Nebraska legislature proposing a city manager plan of government for any city or village desiring it.

When the Florida legislature meets in April, action will be taken on a new municipal code for optional plans of local government. At present home rule provisions are entirely lacking.

Tennessee and Oklahoma, two states in which practically all cities can adopt the manager plan without special legislative action, will probably consider the enactment of a county manager bill.

At present nine states require their cities to go to the legislature for a special act to change their form of government. These are Delaware, Florida, Georgia, Idaho, Indiana, Maine, Mississippi, Rhode Island, and West Virginia. In West Virginia home rule was approved by voters in 1936, and enabling legislation is being considered.

In Georgia, where fifteen cities have come under council manager government through special legislative charters, Cedartown and Americus have prepared bills to provide them with this form of government. Kentucky cities of the third class—population, eight thousand to twenty thousand—can adopt the manager plan by an act passed in special legislative session at the end of 1936. Previously only second and fourth class cities had this privilege.

A bill providing a city manager for Pittsburgh, Pennsylvania, passed the house unanimously, with its fate in the senate doubtful. A similar bill for Philadelphia which is exciting active interest has just been introduced. A bill making the plan optional for third class cities has also been introduced.

According to the *Gazette*, Charleston, West Virginia, the legislature will be asked to allow that city to vote on the plan.

In Binghamton, New York, supporters of the mayor and council plan have succeeded in having a referendum on the present manager plan set for April 20th.

A bill to destroy the manager plan in Knoxville, Tennessee, has been passed by the state house of representatives and is now before the senate.

The Des Moines, Iowa, city manager committee composed of representatives of civic clubs recently endorsed the proposed Iowa house bill clarifying the city manager law as applied to Des Moines. Fort Dodge and Clinton, in the same state, are showing much interest in the manager plan. A petition bearing more than two thousand names was filed with the Fort Dodge council on March 6th, calling for a popular vote on the manager plan.

The mayor of Marion, Virginia, is sponsoring the adoption of the manager plan in Marion through a series of articles in the local paper. In Rochester, New Hampshire, a strong movement is reported under way for the adoption of the manager plan. The *Dispatch* of Columbus, Ohio, states that the local Property Owners' Association has filed a mandamus suit in the supreme court seeking to compel the city council to submit to the voters a proposed city manager amendment to the city charter. A bill providing for a county manager for Wichita County has been introduced in the legislature of Kansas.

Edna, Texas, is considering the adoption of the manager plan by ordinance. According to the *Call* of Newark, New Jersey, a commissioner has been appointed to conduct a hearing on the disputed decision to deny petitioners for the city manager group permission to hold a special election.

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Unique Type of Government for Lincoln, Nebraska.— As the new unicameral legislature gets under way in Lincoln, capital of Nebraska, the citizens of that city await the change in government in May which will place a seven-man council in the city hall and institute a cross between the manager and commission forms of city government. Since 1913 Lincoln has been supervised by a five-man commission, one of the members being mayor, and each member presiding over one of five departments. At the city election in May seven councilmen will be elected at large. At their first meeting, however, they will not divide up departmental duties. Instead, they will proceed to appoint three directors to head the three new divisions of city administration—department of public parks, public property, and improvement; department of public welfare and safety; and department of accounts and finances.

None of the council members is to be assigned to any given department, for the council is merely a supervisory body as far as administration of public affairs is concerned. It is still to be the policy-making division, and has full power to discharge any one or all of the directors at any time. The council is also to appoint the city attorney, city engineer, city clerk, and various other officials and office help.

Assuming that the same public-minded type of men will direct city policy in the future as in the past, the chamber of commerce, junior division, offered the seven-man plan two years ago to reduce expense, simplify organization, and fix responsibility more firmly on department heads. It is also assumed that where an efficient government has operated with an unwieldy set of departments, the same city's government and personnel will do still better with a simplified set-up.

Does the new plan represent simplification? Is responsibility for policy and administration more firmly fixed than before? By dividing administration among three directors does the plan provide for such a disorganized and disunited city government that the citizen will not know where to go to lodge complaints or to have a hearing?

At the first meeting of the new council following election, the mayor, who is elected as such, is to preside. He has no veto power as to ordinances, resolutions, or measures of any kind. By express provision, he is "to serve as general city supervisor." But can he, in his position of general city supervisor, tell the directors just how to administer their departmental activities? If he can, the mayor is the man to whom citizens have recourse in case of protest or petition. If he has that power, he is potentially all-powerful. The problem revolves around the question whether "supervisor" means the right to direct administration of departments.

The amendment to the city charter referring to election provides that at the general city election to be held in the year 1937 there shall be elected at large one mayor, who will serve for two years, and six councilmen. The three councilmen receiving the highest number of votes will serve for four years and the other three will be in office for two years, when an election of three councilmen for four years will be held.

The present councilmen receive $2,000 a year and the mayor, who is a member and the chairman of the council, is paid $500 extra. Under the new plan each councilman will be paid $10 for each meeting he attends, the council to meet at least once a week, and the mayor to receive $500 extra, as before.

Burton Marvin

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Ground Broken for Public Administration Headquarters.—Progress towards construction of the new public administration building, at the southeast corner of Sixtieth Street and Kenwood Avenue on the south front of Chicago's Midway, was marked on March 15th by the breaking of ground for the structure. The building, which is to house the fourteen autonomous associations of public officials now having their headquarters at 850 East Fifty-eighth Street, is tentatively being called the "Public Administration Center." Executive directors of the governmental associations, university officers and members of university departments most interested in the work of the associations toward governmental administration were present at the ceremony.

Funds for the erection and maintenance of the building were given the University of Chicago by the Spelman Fund of New York.

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States Consider Court Revision.—The proposals for retirement of federal judges for age, and for other changes in the federal courts, have been followed by activity concerning state tribunals.

In Pennsylvania a proposed law provides that no state court shall have power to declare invalid any law adopted by the general assembly. It was referred to the committee on constitutional amendments. A bill introduced in the state of Washington would provide that no statute enacted by legislation or by initiative shall be held invalid except by concurrence of two-thirds of the judges.

Whether or not inspired by federal example, other states are considering legislation designed to provide retirement compensation for aging members of their judiciary, a study by the Council of State Governments shows. State provisions, however, are less generous than the supreme court retirement bill recently passed in the United States Senate, providing for retirement on full pay at seventy, after ten years' service on the bench.

A Wisconsin bill, sponsored by the state administration, specifies that any state supreme court judge who has served ten years and any circuit judge who has served fifteen years may retire at sixty-five on half pay. All jurists who choose to retire "shall have the powers of a court commissioner, and shall perform such judicial or other public duties and functions as may be assigned to them from time to time by the supreme court."

Acts just introduced into Minnesota's legislature would repeal the laws covering compensation for aged and retired judges of the supreme and district courts in certain cases, and would provide optional retirement at seventy, on half pay. An act proposed in Delaware provides a life pension of $150 a month to all former members of the state judiciary more than eighty years of age who have served twelve years in the supreme court. In all states providing pensions or retirement, compulsory or optional, seventy is the usual age specification.

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Unicameralism.—The example of Nebraska, in establishing a legislature of one house only, is bearing fruit in activity elsewhere. Besides Ohio, previously mentioned in this department, twelve other states are reported as having proposals before them of similar character: California, Colorado, Kansas, Minnesota, Montana, New Jersey, New York, Oregon, Texas, Washington, Wisconsin, and Wyoming. The legislature of Arkansas has already in 1937 defeated a proposal to make it a single chamber. The New York and Massachusetts legislatures did similarly last year.

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Civil Service Advancement by Uncivil Means.—Employees of county welfare departments in Indiana have been placed under the merit system through a statute passed under unusual circumstances early in March, according to the *News Letter* of the Civil Service Assembly of the United States and Canada. The new law will give the state public welfare department supervision over the selection of county welfare employees. The *News Letter* states: "The original bill was reported to be missing after having been lent to a county official. Then Wayne McCoy, state public welfare director and an advocate of the bill, was assaulted and knocked unconscious. It was generally believed that Mr. McCoy's sponsorship of merit provisions was the cause of the attack on him. Popular feeling ran high as a result of this attack. A new bill was substituted for the missing measure and quickly passed by the legislature under suspension of rules. Only one vote was cast against the welfare merit bill in the house of representatives, and the senate approved the measure by a unanimous vote."

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Merit System Progress.— All employees of the federal prison system not already in the classified civil service, with the exception of the director and three assistant directors, were given civil service status in February by order of President Roosevelt. All future appointments are to be made from civil service eligible registers.

The eighth annual meeting of the Eastern States Regional Conference of the Civil Service Assembly will be held at the Hotel Commodore in New York City, April 22-24.

Safeguards against patronage appointments to jobs in state departments newly created to administer the social security program are being taken in a number of the thirty-seven states which have not yet established general merit system provisions, according to the assembly. First examinations for clerical employees of the Unemployment Compensation Commission of Michigan were held on March 20th, with the legislature considering a general state civil service law. In 1936 prison employees were put under the merit system there, and the state emergency relief administration set up a civil service system for all state and county relief employees.

Idaho, another state where civil service for all state departments is considered, has set up a merit system in the unemployment compensation division of its industrial accident board. Mississippi reports that civil service procedure will be used for the first time in establishing the Mississippi Employment Service, to be connected with unemployment compensation activity.

Minnesota has just established by ordinance a bureau of labor to regulate employment of skilled and unskilled workers, giving the laborers, in effect, a civil service standing.

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Wellesley Institute for Social Progress.— "The World Challenge to Democracy—How Can America Meet It?" is the subject for the Summer Institute for Social Progress to be held July 10-24 at Wellesley College, Wellesley, Massachusetts. It is hoped that the point of view of those interested in better city government will be represented in the membership. The institute will present discussions of present-day problems by men and women in the professional, business, and industrial world. Dr. Colston E. Warne of the economics department of Amherst College will be the leader. Those interested in attending should write to G. L. Osgood, 14 West Elm Avenue, Wollaston, Massachusetts.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Tennessee—*Council-Manager Plan for Hamilton County Blocked in Legislature.*—Following an audit-survey by Griffenhagen and Associates in 1935 disclosing evidences of maladministration and inefficiencies, a few months of public outcry against the administrative practices in Hamilton County crystallized in the organization of "The Volunteers," an association of young business and professional men. After a careful canvass of various reform measures in other states, the group sponsored a modified council-manager plan, which stripped the county court, composed of justices of the peace, of all its statutory administrative and fiscal duties, transferring them to a council of five elective members, with the county judge acting in an advisory capacity. The council was empowered to employ a manager who would possess the conventional managerial functions. There were to be three departments: accounts and purchasing, highways and public works, and health and welfare. Separate bills set up a drastic budget system and a school board to be chosen by popular vote. In the 1936 campaign the issue was clearly drawn and opponents of the volunteers' program, which had been widely published in summary form, were defeated for the legislature. Apparently, however, the pledges of the successful candidates were not sufficiently iron-clad to be binding, for, upon assembling in Nashville, the Hamilton delegation split. The senator refused point-blank to introduce the bills, and one member of the house squirmed out of his promises. In the meantime, under the drumfire of editorial comment, the courthouse ring decided to concoct its "reform plan," drafted by the county attorney. This omnibus measure combined some of the best features of the earlier bills, together with several other items of very dubious administrative feasibility. Having failed to reach any compromise, a quiet campaign is now under way to violate the practice of legislative courtesy and to force the "courthouse bill" through the lower house, whence it will pass the senate without opposition. While it is not customary for the governor to intervene in local squabbles, it may be necessary for the volunteers to request a veto of this particular bill on the ground that an aroused Hamilton County electorate has already signified by some seven thousand signatures to petitions that the volunteers' bill is desired, and that to override two out of three members of the house would be unwise. At all events, the bill which started as a local measure has received state-wide attention.

A similar bill for Knox County passed both houses, was signed and went into effect by the governor's appointment of three commissioners to supplant the county court. At present writing the Knox County commission faces an injunction and proceedings will doubtless reach the supreme court some time next summer.

Anti-Fee-Grabbing Measures.—While Montgomery County is the first to set up courts of general sessions to displace the J. P.'s, Hamilton County is stymied by the same general conditions as discussed above. The representative who was pledged to support the anti-fee bill drafted under the direction of the Committee of One Hundred now has stated that he will not support such measure because he "does not see the need" for it at the present time.

F. W. Prescott
University of Chattanooga

Virginia—*Audit Aids Counties.*—The recent annual report of the Virginia state auditor, Mr. McCarthy Downs, describes a phase of state-county relations which has proved beneficial to the local governments. The state audit has been extended to the accounts of boards of supervisors, school boards, treasurers, commissioners of the revenue, trial justices, and clerks of courts. The accounts of clerks of courts were audited last year for the first time. Some irregularities were found and as a result one clerk has been suspended from office. The state auditor's office has designed a uniform system of accounting which has been adopted by one-half of the county clerks of courts. This work of the Virginia auditor in correcting bad accounting practices is as important as his work in finding errors in the accounts of local officers.

In addition to the state audit of those local agencies mentioned, a gesture has been made in the direction of the towns and the sheriffs' offices. The principal deterrent to extending the audit as far as the law contemplates is not lack of enthusiasm on the part of the auditor's office but lack of funds to employ a sufficient staff. Some interesting things may result from an audit of the sheriffs' records. A casual survey made recently shows that their accounts are in bad shape. The auditor has provided a simple form for keeping a record of their receipts and disbursements. At the annual meeting of the Virginia Sheriffs Association one of the members of the auditor's staff explained a few elementary and ethical principles of record-keeping whereby personal accounts might be kept separate from the public money.

In his recent annual report the state auditor made several important recommendations. I shall mention only two. As far as possible the county fund accounts which in some cases run as high as forty-eight separate accounts should be consolidated and the county placed under the unit levy plan. Another interesting recommendation is that each county should employ a bookkeeper to keep the accounts of the trial justice, the sheriff, the treasurer, and the clerk of the court. The reviewer agrees with Mr. Downs that: "The adoption of this suggestion would simplify the accounting activities and coördinate all county records under one responsible person."

Students of county government might be interested to know that the Virginia state auditor publishes the following publications: *Comparative Cost of Local Government,* a *Manual of Uniform System of Accounting,* and a *Budget Manual.*

James E. Pate
College of William and Mary

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Missouri— *Legislation Pending.*—As anticipated in a January note, a dozen or more bills to adjust and to restore salaries of county officials are in the legislative mill. There is also a bill providing for a one-judge county court (i.e., county board) and a proposed constitutional amendment reducing the age for recipients of old-age assistance from seventy to sixty-five years.

Only one bill affecting counties has passed the house to date (March 1) and none has passed the senate. The house bill would reestablish the office of treasurer, which in 1933 was combined with that of collector as an economy measure. A similar bill would provide for a separate recorder of deeds in certain counties where the circuit clerk is now *ex officio* recorder. Another bill proposes to increase the term of the prosecuting attorney from two to four years, as is true of all other officials elected from the county at large. A proposed constitutional amendment would permit the sheriff and the coroner to succeed themselves.

Several bills affect local finances. One would abolish the poll tax, now optional for local road purposes. Another would abolish the state tax of five cents per hundred dollars valuation on general property. Another is designed to reach intangibles. Still another would require surety bonds of all county officials to be paid for by the county; surety bonds are now optional and must be paid for by the official himself. An amendment would prevent the archaic method of loaning school funds on real estate.

There are several road bills. One would extend the state highway system; others would extend the supervisory authority of the state department over local roads. Another would give the counties authority to levy a tax of one cent per gallon on gasoline. Several bills propose minor changes in the laws relative to the county hospital and to public welfare.

A number of proposals apply only to the larger counties. The most significant one would give constitutional home rule to St. Louis County. Another would provide for county planning and zoning in Jackson and St. Louis counties.

William L. Bradshaw
University of Missouri

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Kansas—*County Bills in Legislature.*—The *Junction City Union* of February 27th reports that Senator Arnold Todd of Wichita has introduced a bill providing for an optional county manager form of government for Kansas counties. The plan may be adopted in any county by majority vote on submission of a petition signed by 10 per cent of the voters at the last election of secretary of state.

The plan as proposed calls for the election of three commissioners for a term of two years who will appoint the county manager, and the election of only three other officials —provided for by the constitution—county superintendent of schools, probate judge, and clerk of the district court. All other officials would be appointed by the manager.

Consolidation of Kansas City and Wyandotte County is also proposed in a bill introduced by Senator Joseph S. MacDonald of that county. The bill provides for a referendum on the question of consolidation after submission of a petition signed by 10 per cent of the voters. Should the referendum carry, a five-member charter commission is to be appointed by the county board, to draw up a charter within ninety days of its organization.

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Maine—*New Plan of Government Proposed for Darlington County.*—A combination of the commission and manager plans of government for Darlington County is the recommendation of the committee appointed at the public meeting held upon the call of the legislative delegation, according to the *Hartsville Messenger* of March 4th. The plan provides for a board of five directors with authority and responsibility for the unified executive control and management of county affairs who will serve as chairmen of the various county departments. This board will appoint a manager who will become the administrative officer under its direction and will also serve as purchasing agent of the county.

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Wisconsin—*Fewer Taxing Units in Milwaukee County.*—A bill has been introduced in the legislature now in session providing for the merger of the Milwaukee County Metropolitan Sewerage Commission and the City of Milwaukee Sewerage Commission. The people of Milwaukee are now living under eight layers of government; the proposed merger will reduce the number to six, for the two sewerage commissions will be abolished and their functions assumed by the county board.

The bill provides for a commission of three members: one resident of the suburbs to be appointed by the state board of health, and two residents of the city of Milwaukee, one to be appointed by the mayor and common council, and the other to be appointed by the governor.

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Nebraska—*Another Effort to Secure County Home Rule.*—Again a measure has been introduced in the legislature providing for an amendment to the constitution which will give the counties home rule. The constitution now says that "the legislature shall provide by law for the election of such county and township officers as may be necessary." The amendment would add: "provided, however, the legislature may provide by law for a form of county government in which county officers may be elected or appointed, but such form shall be optional with each county and shall obtain in any county only upon the adoption thereof by the electors of such county." If approved by the legislature, this amendment will be voted on at the regular election in November 1938.

It will be remembered by readers of the REVIEW that Douglas county voted to adopt the county manager form of government and it was to have gone into effect January 1937. The election was challenged on the ground that it was unconstitutional. The court sustained the challenge. The proposed amendment will clear the way for such improved methods of county government in the future.

TAXATION AND FINANCE

Edited by Wade S. Smith

Effect of the Depression on the Indebtedness of Massachusetts Cities and Towns.—Those familiar with the general temper of New England will realize that during the depression years most Massachusetts communities have been subjected to a severe strain. In particular, the idea of going into debt as a matter of policy regardless of the urgency of the work to be done has had to contend with inherited traditions of economy which form the bedrock of public consciousness in most New England localities.

While this conflict has, on the whole, favored the traditional attitude towards public spending it has by no means been entirely one-sided. Fully one-third of all communities in Massachusetts have accepted PWA loans and more than one-fourth of them have increased their indebtedness largely as a result of so doing. Valuable by-products have been the infusion of new vigor into town meetings and a thorough-going review of the local governmental machinery in many hitherto complacent communities.

Approximate figures for total and net outstanding debt at the close of the fiscal year for the three hundred and fifty-five cities and towns of Massachusetts for the past eight years are:

	Total Debt	*Net Debt*
1929	$335,985,000	$284,132,000
1930	351,580,000	301,710,000
1931	364,418,000	316,651,000
1932	356,030,000	311,892,000
1933	353,419,000	311,291,000
1934	343,710,000	302,391,000
1935	334,116,000	298,700,000
1936	324,722,000	293,092,000

The local debt of these communities, after reaching a peak at the end of 1931, has now declined to a normal level. This generally favorable condition exists in spite of the issue of nearly $200,000,000 of new bonds during the depression years and the acceptance of federal obligations eventually totalling $45,000,000. Temporary tax loans, which reached a peak in 1934 when they amounted to 27 per cent of visible revenue receipts, declined both in 1935 and in 1936; even at their highest level they revealed a substantial margin of safety. While welfare expenditures of the cities and towns of the state trebled themselves as between 1929 and 1933, nevertheless total maintenance payments due to local economies and to other factors noted later on, decreased both in 1933 and in 1934, and on the strength of such data as are now available promise a further drop for the year 1935.

It has conceivably been easier for the cities and towns of Massachusetts to maintain their solvency during the depression than has been the case in some other sections of the country. Population growth is slower and municipal debt ratios are low; traditions of thrift are strong; there is a cushion of accumulated wealth. Moreover there are, as pointed out by the state director of accounts in a recent article,[1] two factors which have especially contributed to the relatively favorable showing given above.

First, by requiring all bond issues for public purposes to be of the serial type, to have terms well within the estimated life of the improvement, and to start their amortization not later than one year from the date of issue, with serial payments diminishing as the term progresses, the incurrence of haphazard indebtedness has been thoroughly discouraged and the credit of the municipalities protected. Second, tax title loans—short term loans made by the commonwealth to the municipalities against taxes on delinquent property taken over by them—have aided the cause of financial solvency by providing a ready market for temporary tax anticipation notes (tax title money being ordinarily used to redeem such notes) and have thus served to avoid the funding of temporary obligations. The rapidity with which tax title loans have been paid off—over half of them within a year's time—suggests a more general use of this method of financing than has heretofore been the case.

The foregoing, of course, is not the whole story. Federal emergency contributions aggregating $250,000,000, municipal salary reductions, and voluntary contributions both by municipal employees and by the general public greatly eased the debt situation. Had it not been for these various forms of direct assistance local debt in Massachusetts would unquestionably present a different picture from that shown by the table, although how much larger the residuary debt would be is problematical. It could hardly have included the amount of the federal contributions, in any event, as work relief under local auspices would have been keyed to a subsistence dole rather than to a prevailing wage scale and overhead would have been all but eliminated.

As to the character of the changes in local bonded debt that have taken place during the past five years, analysis shows that if welfare debt be excluded most governmental functions would show a reduction. Increases in debt were due to the cities of the state rather than to the towns and in particular to the city of Boston, which made substantial additions to its fire and police properties, its libraries, and its traffic facilities—including the construction of a submarine vehicular tunnel—during these years. Indeed, with figures for Boston eliminated the total outstanding debt of the cities and towns of the state (except welfare debt) taken as a whole shows reductions in respect to all governmental functions.

Thomas L. Hinckley

Boston, Massachusetts

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Property Tax Collections Approach Pre-Depression Normal.—Property tax collections in the year of levy are already better than in 1931 and in another year should be on a par with the pre-depression level generally accepted as about normal, according to the fourth annual study of tax delinquency by Frederick L. Bird, director of research of the municipal service department of Dun & Bradstreet, Inc., published in mid-March.[1]

Not only is the year-end median delinquency in 150 cities of over fifty thousand population for the year just closed slightly under that for 1931 and within less than four points of that of 1930, but forty-six of the cities actually bettered their 1930 records, Dr. Bird's survey shows. This compares with twenty-six cities which in 1935 collected a higher percentage of that year's taxes than they had of the 1930 levy in 1930. Moreover, at least twenty-six cities had the distinction of closing 1936 with 7 per cent or less of the year's taxes uncollected (i.e., one-half, or less, of the median delinquency for the year) the honor roll being led by San Jose and San Francisco, California, Madison, Wisconsin, and Birmingham, Alabama, each of which collected 98 per cent or more of its 1936 levy during the year.

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[1] "City and Town Indebtedness in Massachusetts," Theodore N. Waddell in *The Massachusetts Selectman,* October 1936.

[1] *The Trend of Tax Delinquency, 1930-1936,* by Frederick L. Bird, Copyright 1937 by Municipal Service Dept., Dun & Bradstreet, Inc., New York. Parts reproduced here by permission.

Attending this general improvement, however, are the to-be-expected situations in which continuing poor collections are evident. But only two cities reached new delinquency peaks in 1936, one of them because of a change in tax sale and collection dates, and only a few cities fell below their 1935 level. And as might be anticipated, those cities which had been least affected by tax delinquency recovered most rapidly, and the hard-hit cities were relatively slower. To illustrate this, Dr. Bird compared the records of the twenty cities showing greatest stability of collections with the twenty cities showing the least stability, the comparison clearly indicating the lagging recovery of the least stable municipalities. The comparison, together with the median delinquency for the 150 cities, is shown below:

Median Trend of Year-End Tax Delinquency

	20 Most Stable Records	*150 Cities*	*20 Least Stable Records*
1930	6.30	10.15	11.85
1931	7.60	14.60	18.55
1932	9.95	19.95	27.20
1933	11.65	26.35	39.05
1934	9.20	23.05	34.55
1935	8.05	18.00	28.55
1936	7.20	13.90	21.15

Stable economic resources, escape from excessive realty speculation, and efficient, rigid tax collection systems have in general marked the cities showing the most stability in tax collections, while the absence of these factors has in general been apparent in the twenty showing least stability.

While the average city has suffered a severe curtailment of revenues from current taxation, amounting to over one-fourth during the peak year, back tax collections have been an offsetting factor. Indeed, for budget-balancing purposes, rapid back tax collection may well reduce current delinquency to a minor problem, and in some cities this has been the case. Analyzing the total accumulated delinquent taxes outstanding at the end of 1936 in relation to the 1936 levy, for 109 cities for which data are available, Dr. Bird finds that while the range of arrears in percentage of the 1936 levy is very wide, the median for the entire group is 43.6 per cent, as compared with a median of 48.4 per cent for an almost identical group at the close of 1935, "indicating material progress in the reduction of accumulated back taxes." Moreover, eighteen of the 109 cities show an accumulated arrears ratio of less than 22 per cent, led by San Francisco (6.7 per cent) and Binghamton, New York (7.9 per cent). Other cities ranged upward to well over 100 per cent. In most cities, this accumulation of delinquent taxes represents a realizable asset, as is shown by the relatively rapid collection of taxes a few years after the year of levy. For ninety-one cities for which comparable data are available, Dr. Bird finds that on taxes levied in 1933, the year of peak delinquency, only 4.4 per cent remained uncollected, on the average, at the close of 1936, with, however, some glaring exceptions. The average rapidity of collection is shown by the following schedule:

Median Delinquency on Recent Levies at End of 1936 Fiscal Year

1936 Taxes uncollected at end of 1936 fiscal year	13.5%
1935 Taxes uncollected at end of 1936 fiscal year	7.8%
1934 Taxes uncollected at end of 1936 fiscal year	5.9%
1933 Taxes uncollected at end of 1936 fiscal year	4.4%

Citing the large dependence of most cities on the property tax as the chief source of revenue, the generally inept administration of the tax, the frequent lack of adequate enforcement provisions in the tax law, the destructive effect of topheavy inflated realty values accompanying unprecedented realty speculation, and the exhausted credit reserves of many cities, along with the adverse influences of the depression, Dr. Bird notes on the basis of the record, "under these handicaps . . .

[the fact that] the general property tax displayed the degree of dependability and the ability to recover which it has, is strong evidence that, whatever criticism may be made of its equity and fairness as a tax, it meets reasonably well the practical requirements of the municipal financial system."

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Amendments "Ease" Jersey's New Budget Act.—Acting in the last few days before the final date for adopting 1937 budgets under a new budget law passed last year, the New Jersey state legislature early in March postponed application of its more stringent provisions and gave municipalities and counties another thirty days to prepare their budgets for the current year.

The new budget law, discussed in part in this department in December 1936, looked toward the establishment of so-called cash basis operations for New Jersey counties and municipalities by 1942. To assist in securing this result, it provided that beginning with the 1937 budget, appropriation for floating tax obligations would be mandatory, on a sliding scale, and appropriation in full would have to be made for all unpaid obligations or liabilities of prior years except the tax revenue obligations. Appropriations for floating tax revenue obligations this year were to be such as to reduce obligations of this type to 35 per cent of the gross borrowing capacity of the unit, and 1938 appropriations were to effect a reduction to 30 per cent.

Under two senate bills amending the new law, signed by Governor Harold G. Hoffman on March 9th, local units will be given an extra month, or until April 11th, to adopt their 1937 budgets, and the mandatory appropriations for floating current obligations are removed so far as 1937 budgets are concerned. These provisions will not go into effect until 1938, when the ratio of tax revenue indebtedness permitted will be 30 per cent instead of 35 per cent as under the new law as it originally stood.

Considerable confusion has been evident in New Jersey council chambers during the past two months, as city and county officials sought to determine what mandatory items must go into 1937 budgets. Most local units appear to have proceeded with no greater inconvenience than that usually attending the installation of a new and consequently unfamiliar system, it is true; but the admitted severe effect of the law upon a few municipalities unfortunate enough not to have been able to put their fiscal houses in order has been a source of tremendous legislative concern. Repeated criticism of the new law has been made by the State League of Municipalities, by adversely affected units, and by Governor Hoffman himself, who has repeatedly said that the property tax increases necessary in some places because of the law indicated anew the necessity for making available new sources of local revenue. Some tinkering with the law has therefore been expected, though it seemed for a while early in the legislative session that this would be restricted to conferring upon the state auditor power to make exceptions in specific budgets as appeared desirable. Many budgets have already been adopted pursuant to the law, and will probably remain unchanged.

That the amendment of the budget law will ease the straightened position of the few remaining fiscal sore spots in Jersey is doubtful. These cities, and a few counties, are in a jam for the correction of which only a thorough housecleaning, coupled in several instances with drastic scaling of debt requirements, will suffice. A weak factor in Jersey finances has long been the treatment allowed tax borrowing, particularly so-called tax revenue (delinquent tax) borrowing. The new law would have undertaken a correction of this situation at once, and it is difficult to see how a moratorium on more stringent regulation of this practice is going to do more than temporarily postpone the evil day for those cities not able to fund or budget the item without undue strain.

While the legislature was enacting the amendments cited above, another bill was introduced to curb the power of the State Municipal Finance Commission, an agency which has acted in a capacity somewhat analogous to receiver-referee for defaulted Jersey units. The bill would prevent any further court orders committing additional cities to the commission's jurisdiction. The work of the commission has been generally considered sound and of substantial importance in rehabilitating the credit of the units over whose fiscal affairs it had jurisdiction. Should the amendment be passed several situations which might well benefit from its guiding hand, and seem destined in the ordinary course of events to end up under its jurisdiction if more local initiative is not displayed, will probably be left to their own devices.

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Indiana Reneges on Over-all Tax Rate Limit.—Too late for detailed discussion this month comes information that the Indiana state legislature approved on March 9th a new tax rate limit law, repealing its former statute passed in 1933 and drastically revising the old law's provisions. Debt service is placed outside the limit in the new law, and the rate limit itself is raised from $15.00 per thousand assessed valuation to $20.00 for incorporated areas and from $10.00 to $12.50 for unincorporated areas. A survey showing the drastically increased interest costs occasioned on debt issued inside the limit under the old law was an instrumental factor in securing the modification, which will be reviewed in more detail next month.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

Two P. R. Decisions in Lower New York Courts.—Within a comparatively few days two separate decisions on suits to declare P. R. unconstitutional in New York State—one upholding the system and the other declaring it invalid—have been handed down by supreme court justices.

On March 15th Supreme Court Justice Lloyd Church of New York County denied the motion of a group of petitioners, supported by the chairmen of the five Democratic organizations of New York City as intervenors, for a peremptory order of mandamus to compel the board of elections and the city clerk of New York City to conduct the council election next fall by plurality voting instead of proportional representation. In an excellently worded opinion of eighteen pages Judge Church accepted the argument of the city's attorneys and fully upheld the constitutionality of P. R. in New York State.

The petitioners in both suits had put their main reliance on section 1 of article II of the state constitution, which says that every citizen having certain qualifications shall be entitled to vote "for all officers that now are or hereafter may be elective by the people." This they contended was violated by P. R. because under P. R. each voter could have only one effective vote for council although several councilmen were to be elected in his district.

To this argument Judge Church replied: "Section 1 of article II was apparently put in the state constitution of 1821 in order to do away with the property distinctions in the state constitution of 1777, under which the right to vote for state senators was restricted to those having freeholds to the value of one hundred pounds and the right to vote for members of the lower house was restricted to lower property qualifications. In other words, the intention of its adoption was the prescribing of qualifications of voters rather than the regulation of the method of election. . .

"The argument that this provision is violated by the system of proportional representation is based upon an apparently strained interpretation of its intent and meaning. . .

"Under the system of proportional representation, every voter in each borough of the city may express the order of his preference for every candidate for councilman from his borough. He would seem to have a much greater power of voting under that system than under the present system of single-member districts. For under the present system he may vote for only one member of the board of aldermen, and if he is in the party at the time in minority his vote is ineffective. . .

"Apparently, petitioners' argument is that under the proportional representation system, although a voter may declare the order of his preference for *all* candidates, his ballot may be counted for only *one*. The answer is first, that under the present system his ballot is counted for only one member of the board of aldermen, and secondly, that whereas at the present time the chances are that his ballot may be ineffective, under the proportional representation system his vote will almost certainly be effective actually to elect the candidate most preferred by the voter, and who has not been already elected by the votes of others.

"Instead of disenfranchising any citizen or decreasing the power of his vote in an election for members of the city council, this system insures to practically every voter that his vote will actually be used in helping to elect some member of the board."

Later the opinion refers to the almost continuous use of limited voting in New York City for a period of thirty years, first for the board of county supervisors of New York County (1857-1870) and then for the New York City board of aldermen (1873-1887), the statutes for limited voting being "amended not less than seven times." This method would be open to the same objection as P. R. if the petitioners' argument were valid. It was in fact attacked as unconstitutional before the court of appeals four different times, but the court always found a way to throw out the attack without deciding the constitutional issue directly. "Thus we have," says the opinion, "a history of thirty years of administrative construction by the election officials and legislative construction by the legislature, without interference by the courts although continuously under consideration by them. This practical construction cannot entirely be disregarded."

In conclusion Judge Church cites recent cases in which the New York court of appeals has ruled questions off the ballot which were wholly unconstitutional and points out that the submission of P. R., which would be wholly unconstitutional if the petitioners' arguments were correct, was before the court of appeals last fall in *Matter of Mooney v. Cohen, 272 N. Y. 33, remittitur amended 272 N. Y. Mem. p. 191.* "In permitting the submission of this separate proposition to the voters," the opinion reasons, "the court of appeals may have intended to hold it to be constitutional. In any event, under the circumstances any doubts which exist as to the constitutionality of proportional representation should, after the recording of the mandate of the people at the election, in accordance with the submission directed by the court of appeals, be resolved in favor of its validity."

On March 23rd, Supreme Court Justice Philip A. Brennan of Kings County (Brooklyn) held that P. R. was unconstitutional, being in violation of section 1, article II of the state constitution. Said Judge Brennan: "The defendants assert that under the old charter the elector could vote for only one alderman; whereas under chapter 43 of the new charter he also may vote for one. That assertion loses sight of the fact that under the old charter only one alderman was elected from each district; whereas under the new charter more than one will be elected from each district, with the exception of Richmond."

An appeal to the highest court, the court of appeals, has been taken by the city.

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Philadelphia Bill Introduced.—On March 15th the P. R.-city manager bill for Philadelphia was presented to the Pennsylvania house of representatives under Democratic party auspices by Representative Isador Ostroff of Philadelphia. The names of Representatives Paul Lewis and Rocco Costanzo, also Philadelphia Democrats, are on the bill as co-sponsors with Mr. Ostroff. The bill was referred to the house committee on cities, of which Miss Anna Brancato, Philadelphia Democrat, is chairman.

As introduced the bill calls for a referendum in the fall of 1938, the first use of P. R., if adopted, in the fall of 1939, and the appointment of the first city manager at the end of Mayor Wilson's term in January 1940—exactly as drafted by the Philadelphia City Charter Committee. Whether the Democratic majority in both houses will pass the bill in this form, whether it will amend it to carry out the mayor's recent suggestion of an immediate use of P. R. for the city council next fall, or whether it will make some other disposition of the proposal has not yet been determined. The majority organization was sufficiently interested, however, to arrange for the bill's introduction by three of its own members.

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Hearings in Boston.—"A bill which would enable Massachusetts cities and towns to adopt a proportional representation system of voting—a method of political reform held vital to the future municipal welfare of Boston—was unanimously supported by various interests today at a hearing before the legislative committee on cities.

"Not a single voice was raised in opposition to this bill which has been introduced by Representative Christian A. Herter. Consequently there will be no further hearings on the bill, Senator Thomas H. Plunkett of Adams, chairman of the committee, announced.

"A 'trial election' under the proportional representation system of voting was held before the committee this morning. About seventy-five people attending the hearing participated in this demonstration conducted by George H. Hallett of New York, an expert on the 'P. R.' method of election. By this demonstration the committee was shown how the P. R. method guarantees representation to all classes of voters in an election, minority groups as well as majority groups.

"Following this, some twenty-five people representing diversified political interests came forward to speak in favor of Representative Herter's bill.

"The Boston Chamber of Commerce represented by Allison G. Catheron, a director, City Councilor Clement A. Norton, former State Senator Henry Parkman, Jr., and Representative Herter all urged passage of the bill indicating their interest in the measure particularly as it would affect Boston. . . .

"Other groups and individuals which went on record before the committee favoring passage of Representative Herter's bill were: The Massachusetts League of Women Voters; the women's division of the Massachusetts Federation of Taxpayers' Associations; Miss Katherine Lyford, secretary of the Massachusetts Civic League; Representative Roland D. Sawyer of Ware; Representative Charles H. Morrill of Haverhill; J. Weston Allen of Newton; James Barrett, former president of the Cambridge city council; and the Massachusetts Women's Political Club represented by Frank M. Doyle."

This is part of the *Christian Science Monitor's* account of the hearing on March 4th referred to in our last issue. The *Monitor* followed up, the next day, with a special article on the progress of P. R. The *Boston Transcript* carried an editorial the day before the hearing in which it said that by P. R. "a broad expression of the will of all citizens gains consideration. . . The bill, as an enabling act, certainly has sufficient merit to warrant its passage." Six of the seven principal Boston newspapers have published favorable editorials or feature articles on P. R. within the last year and a half.

On March 9th the joint cities committee held another hearing, this time on the bill by Representative Rufus H. Bond of Medford (house bill 233) to make the combination of P. R. and the city manager plan available for all cities except Boston as an additional standard form of city government. Again no one appeared in opposition. Chandler W. Johnson of Cambridge writes:

"The hearing was featured by a marked increase in the public interest as evidenced by the endorsement of house bill no. 233 by the Massachusetts League of Women Voters; the Holyoke Chamber of Commerce; numerous members of both branches of the legislature; several city and town officials of Braintree, Holyoke, Medford, Northampton, and Revere; the petitioners for house bill 233 including citizens of Medford, Cambridge, Concord, Lincoln, and Weston. And at the instance of Professor H. E. Wells of Northampton, who at the last minute was unable to attend the hearing, there was presented to the committee a petition signed by 101 prominent citizens of the city of Northampton urging the committee to give this bill a favorable report."

Last year the cities committee reported unanimously bills closely corresponding to the bills on which the two hearings were held. In view of the increasing support and lack of opposition, it is hoped it will do so again.

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Illinois Bill Introduced.—The bill described in last month's issue to enable any city or village in Illinois to adopt the city manager plan by petition and popular vote and with it to adopt P. R. if its voters vote in favor of it on a separate question, was introduced on March 15th (the same day as the Philadelphia bill) by Representatives Drennan J. Slater of Evanston and H. V. Teel of Rushville. It is known as house bill 414. Four companion bills, to make certain laws conform, are house bills 415 to 418. The bills were referred to the committee on municipalities, of which Mr. Teel is chairman, and given a prompt hearing on March 23rd. The Chicago City Club and a number of other organizations coöperating with the Illinois Council-Manager Conference were represented in support of the bill.

CITIZENS' COUNCILS

Edited by Geneva Seybold

Alabama Policy Committee.—Those whose attention was arrested by the spectacular work of citizens' councils in Alabama in the summer of 1933, when their united efforts resulted in passage of income tax and warrant amendments to the state constitution to clear up a $15,000,000 debt to schools and other departments, and those who have followed the program of citizen education in governmental affairs since that time, are now observing with interest activities of the Alabama Policy Committee.

This is a state-wide organization made up of civic leaders who engage in research and discussion of social, economic, and political problems peculiar to Alabama, to the end that definite policies may be adopted—policies that the committee then promotes through its legislative and other appropriate committees. At present six special committees are studying respectively civil service, education, farm tenancy, freight rate differentials, the labor situation, and the state's finance system.

Citizens' conferences are held from time to time in different cities of the state, each focussed on a problem of vital importance to Alabama citizens. An example was the conference on long range planning for education held in Montgomery in October. Teachers, editors, state representatives and senators, labor leaders, representatives of parent-teacher groups, and business men participated in the discussion of the need for an improved and adequately financed system of public education in Alabama and outlined certain major objectives toward which educational and political leaders should strive.

The committee usually issues a bulletin following each conference making available to citizen groups the high lights of the discussions. The chairman of the Alabama Policy Committee is I. J. Browder of Scottsboro. Mr. C. H. Van de Graff of Tuscaloosa is vice-chairman, and Mr. Charles W. Edwards of Auburn is secretary-treasurer.

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Civic Club of Allegheny County (Pittsburgh) Pennsylvania.—Giving strong support to legislation now before the Pennsylvania legislature which will enable the people of Pittsburgh to vote on the city manager form of government with proportional representation, is the Civic Club of Allegheny County.

The extension of the merit system in both county and state governments is another of the club's immediate concerns. The organization is working for revision of the present act to regulate and improve the civil service of Pittsburgh, making violation of the law's provisions misdemeanors and providing penalties for such violations.

Reducing overlapping local governmental functions and improving services of both the city of Pittsburgh and Allegheny County through the establishment of regional or metropolitan government is another of the club's goals. Its legislative program also includes abolition of the present dual assessment practice, turning over assessment and collection of taxes of both county and city to the county.

Other ends toward which the club is working are reapportionment of Pennsylvania's representative and senatorial districts, abolition or proper consolidation of overlapping and unnecessary governmental units throughout the state, the creation of a sound tax system, abolition of the fee system especially with respect to tax collection and the office of register of wills, and uniform budgeting, accounting, and reporting systems for comparable standards of governmental efficiency in all municipal subdivisions.

The Civic Club is supporting reduction in the number of independent elective officers and repeal of legislation fixing salaries of officials and employees, long time planning of public improvements, organization of school districts on the basis of geographical areas rather than along the lines of existing political subdivisions, revision of the minor judiciary, and the consolidation of police power.

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Citizens' Housing Council Formed in New York City.—As a concerted effort to find a solution of New York City's low-rent housing and slum problem, through coöperation of real estate, construction and labor groups, as well as civic, welfare, and tenants' organizations, the Citizens' Housing Council of New York was recently organized. It is headed by Harold S. Buttenheim, editor of *The American City* and a member of the council of the National Municipal League, as chairman, with Lawrence B. Elliman, prominent real estate executive, and Loula D. Lasker, associate editor of *The Survey*, as vice-chairmen. Coöperating organizations include the City Club, New York Building Congress, Welfare Council, City-Wide Tenants' Council, United Neighborhood Houses, and Women's City Club; temporary headquarters are at the City Club, 55 West 44th Street.

The unique character of the council lies in the broad and comprehensive scope of the interests it seeks to bring together; and it is intended that concrete, correlated recommendations shall result, after thorough consideration of the many aspects of the problem, following detailed study and reports by nine committees: on city planning and zoning, finance and taxation, housing action, land assembly, new housing, old housing, rehousing of displaced families, legislation, and public education. In addition to these working committees an advisory committee is being appointed, of which Mr. Richard S. Childs, chairman of the council of the National Municipal League, has accepted the chairmanship.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

American Public Utilities Bureau.—The principal activities of the bureau during the past year have been in connection with (1) a bus fare case in which the bureau represented the city of Pittsburgh before the Pennsylvania Public Service Commission; (2) a telephone rate case in which the bureau represented the city of Louisville, Kentucky, before the Kentucky Public Service Commission; (3) a railroad commutation rate case in which the bureau represented the city of New York before the New York Public Service Commission and Transit Commission; and (4) a gas merger case in which the bureau represented the city of New York before the New York Public Service Commission in opposition to the merger.

The Pittsburgh bus fare case was terminated through agreement under which the twenty-five-cent fare was reduced to an effective ten-cent fare (twenty tickets for two dollars). The Louisville telephone case also came to a conclusion through agreement, under which a reduction of $440,000 a year was granted to the Louisville exchange. The city also obtained $50,000 toward its expenses, with the additional provision of $10,000 a year to keep in contact with telephone conditions.

In the New York commutation rate case, the Long Island Railroad Company undertook to increase commutation rates about 15 per cent. The city succeeded in stopping the increase. In the gas merger, however, the city's opposition was not successful. The merger was approved by the Public Service Commission, notwithstanding the evidence offered by the city that a combination of gas and electric properties under the same corporate and financial structure would be contrary to public interest. Gas is a regressive and electricity a progressive utility. If they are combined, electricity will be compelled to bear the costs incurred in furnishing gas, and this will tend to restrict the utilization of electricity. This prospective condition, however, did not induce the commission to disapprove the merger.

JOHN BAUER, *Director*

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People's Association of Delaware County, Pennsylvania.—The activities of the People's Association of Delaware County during 1936 were largely confined to the distribution of a "Who's Who" before the primary election in April and again before the general election in November. These attracted a much wider interest than usual. Prior to the November election about 65,000 of the leaflets were distributed to voters, and partly as a result of this distribution over 25,000 Republicans were induced to vote split tickets and defeat John J. McClure, a Republican "boss" for re-election to the state senate.

The plans of the association for the next six months include a series of meetings in six different centers of the county at which subjects of current interest will be presented. The subjects tentatively selected for discussion, all bearing on Delaware County, are: Penal affairs, public school administration, the basis for taxation, the cost of local and county government, recreation facilities, road construction and repair. An attempt will be made to give as wide publicity to these meetings as possible and to make them the basis of reports to the legislature which is now in session. This association was formed March 10, 1913.

J. W. ZIEGLER, *Secretary*

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Municipal Research Bureau of the Akron Chamber of Commerce.—In the winter of 1935, the bureau made an accrual study of the city sinking and bond retirement funds to discover how much of the surplus or deficit had been derived from transactions having to do with bonds for which the levies were inside and how much outside the tax limitations. The bureau found that before the depression and through the year 1934 the city had levied substantially the full estimated requirements for its debt services both inside and outside the tax limitations. But during 1935 it did not. The city issued refunders on the assumption that the shortage at the end of the year was proportionately divided between inside and outside bonds. The net result was that a surplus developed on the outside bonds and on the special assessment bonds greatly in excess of that which had been developed by reason of excessive refunding on the inside limit bonds. This showed up an apparent weakness in the Ohio laws relative to payments by sinking fund trustees whereby the tax limitations may be more or less effectively evaded by the simple process of paying inside obligations from moneys derived from outside levies in accordance with the law.

Since the fall of 1935, the Akron bureau director has served as a member of the fact-finding committee of the Ohio Interorganization Conference, which is a federation of a considerable number of state-wide trade organizations and local chambers of commerce joined together for the purpose of opposing unnecessary tax proposals. The latest accomplishment of the conference was to aid in the repassage last December of the sales tax and other expiring special taxes which were necessary in order to bring the 1937 estimated receipts somewhere near the 1937 estimated requirements.

The bureau also prepared for the conference a consolidated study of local government finances. The report for Akron and Summit County, when completed, indicated an average excess of charges against revenue in Akron, Akron school district, and Summit County of 20 per cent more than revenue during the three years 1934 to 1936. Studies of other districts have not yet been satisfactorily completed.

H. G. MCGEE, *Director*

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New Haven Taxpayers, Inc.—In the 1936 annual report of this governmental research agency it is pointed out that: (1) the New Haven fire department budget for 1937 is $43,000 less than the expenditures for 1935, the year the taxpayers' fire department survey was made; (2) administrative costs of collecting names for the poll tax (the state old-age assistance tax of three dollars) were shown to be at least 12 per cent higher than Taxpayers' Inc., survey found necessary; (3) in 1936 about twice as many people paid the poll tax as paid in 1935, resulting in an increased intake by the city of more than $100,000 for the year; (4) as a result of the recommendations developed by Taxpayers, Inc., following a survey of the street name sign situation in New Haven, the city has purchased, on the recommendation of the Yale forestry school, lumber from which can be carved elevated letters. A trial lot of one hundred of these wooden street name signs can now be prepared. Experience in other communities (Michigan) has shown that wooden signs are more easily serviced than metal ones, and that signs made of one piece of durable wood last longer than the metal type; (5) progress made by the city in improving and popularizing the annual reports and more understandable financial reports is commended; (6) since Taxpayers, Inc., made recommendations on the police department, a traffic accident squad has been established, a comprehensive traffic survey has been completed, and a substantial reduction in the police budget has resulted by following a policy of not replacing men. Nearly two dozen have been separated from the service; (7) at present, the staff is conducting a ten-year analysis of municipal expenditures, is preparing a report on new sources of municipal revenue, is making a purchasing study, and is prosecuting several other inquiries.

The association has maintained nine active sub-committees during the past year and the executive director has met either with the executive committee, the directors, or with one of the sub-committees on forty occasions.

Paul B. Wilcox, *Executive Director*

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Pennsylvania Economy League: Western Division.—The Western Division of the Pennsylvania Economy League, comprising thirty-one counties in the western half of Pennsylvania, now has available statistical data on the receipts and expenditures (general revenue items, bonds, temporary loans, etc.) of 271 governmental units. These units, all within the western division, include counties (as whole units), cities, boroughs, and townships of the first and second classes.

The figures for most subdivisions cover the period of the past four years, and constitute the bases for studies of the "cost of doing business"—political business—in each unit. These studies are developing some very interesting facts, among which is the gratifying and surprising knowledge of the large number of units that are "paying as they go." Of course, the studies also develop that other subdivisions do not show up so favorably, and are "running in the red." In these latter cases, steps are being taken to present the facts to the proper officials in the hope of correcting past financial evil practices. It is a satisfying experience to witness the wholesome coöperation given by public officials in the correction of unhealthy conditions, when confronted with unfavorable facts concerning the conduct of their offices, many of which present incumbents have inherited.

Allegheny County, the largest unit in population in the western division, is at this time being given special study. At present bond accounting and matters connected therewith occupy most of the time of the research section.

The Pennsylvania Economy League has endorsed the legislative program of the [Pennsylvania] Taxpayers' Forum, and is actively urging the passage of certain constructive legislative measures which if adopted would do much to further the league's slogan: "better government at less cost in Pennsylvania."

Paul C. Hunt, *Associate Director*

SCHOOL ADMINISTRATION

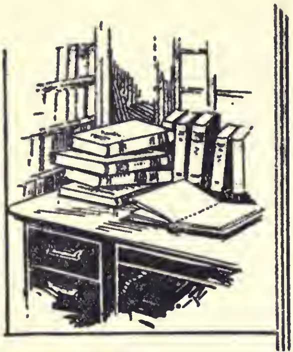
(Continued from Page 167)

generally in the case of the larger attendance area. The matter of adequacy of facilities, condition of roads, frequency of inspections of equipment, financial ability of the district to purchase equipment, training and qualifications of bus drivers, routing of buses, and costs of operation are important factors in a redistricting program. The existing facilities and possibilities of transportation must be considered in detail. Frequently transportation is urged for all pupils in a district. What constitutes a reasonable distance for transportation purposes? Shall children be transported one-half mile or less? Should school buildings be located in areas so far from the center of population that all children must be transported? These and other important questions must be considered as basic in the consideration of the larger unit of administration and attendance.

FLEXIBILITY

Because of unpredictable circumstances it may be essential in the future to alter school district boundaries. There should be a legal provision in each state for the alteration of school district boundaries with the least amount of delay and routine.

These are the major factors that must be considered in the determination of the size of the administrative unit. Obviously these units will vary in size because of the varying local conditions. An administrative unit cannot be standardized, therefore, nor can any particular formula be adopted by which such units might be organized. The recognition of these factors, however, is essential if local administrative units are to be intelligently created.



RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

Prisons and Beyond. By Sanford Bates. New York, Macmillan Company, 1936. 334 pp. $3.50.

Former Attorney-General Mitchell said that the prison of the future would be a place of permanent incarceration for the incorrigible, a school for those who can be reformed, and a laboratory for the study of the causes of crime. This was his brief answer to the question "Why Prisons?"

In the building and administration of prisons in this country there has been much muddled thinking. Do we build prisons to provide a place of punishment, a place to segregate the misfits from the rest of society, a place to remold men? Varied answers are expressed in the very architecture of the prison—the way its windows are placed, the contour of its walls. They are evident in such factors as whether or not prisoners are given occupation, whether they are educated, and in the administration of the parole system.

Sanford Bates, who at the time of the writing of this book was United States director of prisons and who has since resigned to become executive director of the Boys' Clubs of America, has long been known as a prison administrator of clear thinking and wide vision. His book reflects his intimate knowledge of the prisoner as a human being. He is, however, no sentimentalist; his first concern is the best interests of society.

An especially interesting chapter in Mr. Bates' book, which is illustrated by many anecdotes and incidents taken from his twenty years of experience with prisons and prisoners, is that on county jails. More than a million persons, the author estimates, are annually committed, usually for a brief time, to one or another of the more than three thousand county jails in the country and in these are much more badly treated than the inmates of state and federal prisons. Indictments against county jails are that they are insecure, unbelievably dirty, lack segregation for prisoners, are health hazards, have untrained and inefficient personnel, lax discipline, and are dominated by politics. Suggestions are that we should attempt to reduce the number of persons detained in jail, perhaps through adoption of a universal identification system and close surveillance by local police, attempt to reduce the amount of time spent in jails through prompt trial, and use the county jails as little as possible for the serving of sentences. The use of state penal farms for misdemeanants might help in the last instance.

Violations of the liquor, drug, Dyer, and Mann laws put a tremendous strain upon federal penitentiaries and reformatories and make the business of taking care of prisoners a serious concern of the United States Department of Justice. Alcatraz is one unit of a modern prison system that has been worked out to meet increased needs.

The fact that we in the United States have the highest prison population of any country does not mean necessarily that we are the most criminally minded nation, says Mr. Bates, but may perhaps have gone too far in assuming that imprisonment is the only method available for handling offenders. The author proposes several alternatives which might prove more effective in certain instances than imprisonment.

Our Ineffective State. By William H. Hessler. New York, Henry Holt and Company, 1937. 281 pp. $2.50.

Arguing that we now have a "frustrated" federal government, ineffective in the sense that its machinery is unable to cope with the problems before it, Mr. Hessler, chief editorial writer for the *Cincinnati Enquirer*, proposes certain solutions. Examples of problems that require concerted measures by public authority are the orderly control of money and credit, the choice between war and peace, the redistribution of income, resuscitation of economic activity, and supplying permanent employment for those now unemployed or engaged in artificially created work. He cites separation of powers as an example of the hampering tendency of our constitutional framework and calls the constitutional requirement that two-thirds of the senate must consent to international treaties "wholly unworkable."

Other inhibiting factors, in the opinion of the author, are the fact that the cabinet is not a policy-making body and "the growing disposition of the Supreme Court to seize the control of legislative policy." Mr. Hessler proposes that the mechanism of government be reconstructed both by constitutional amendment and drastic re-shaping of traditional procedures outside the constitution.

Three broad alternatives are considered for strengthening the power to govern by curbing the Supreme Court: (1) Disregarding the dicta of the Court with the President and Congress interpreting the written constitution with respect to their own powers; (2) Circumventing the Court by adoption of a constitutional amendment giving Congress the unqualified power to act in matters which involve the national well-being, also perhaps by providing an easier amending process; and (3) Subordinating the Court by formal termination of judicial review or by consistent appointment of judges sharing the belief that the legislature should have its way.

Of these alternatives Mr. Hessler favors adopting two constitutional amendments, one giving Congress full power to act in national economic affairs and re-defining due process of law as a limitation on procedure, the other revising the amending power to permit genuine majority rule. He suggests that a workable and safe amending clause might provide for ratification by legislatures or conventions in a majority of the states sufficient to embrace a majority of the total population. He would not have judicial review completely repudiated but would have it continue to the extent that it protects individual rights in specific cases at law.

*

City Problems of 1936. Edited by Paul V. Betters, Washington, D. C., United States Conference of Mayors, 1937. 181 pp. $3.00.

The papers presented at the annual conference of mayors held in Washington last November and which are brought together in this volume are classified under the general headings of law enforcement, unemployment relief and social security, federal-city relations, and municipal problems. Included in the last general category are addresses on public utility problems, centralized purchasing, and the city's relation to industry.

*

League of Virginia Municipalities Year Book, 1936-37. Richmond, Virginia, League of Virginia Municipalities, 1937. 298 pp.

Local and state officials have coöperated with the staff of the League of Virginia Municipalities in preparing this second edition of the year book which is primarily a reference book for municipal officials. A section on city and town government is especially detailed and another section of particular interest is one on public utilities in Virginia including electricity, gas, water, and telephone.

*

The House Trailer, Its Effect on State and Local Government. Report by the American Municipal Association in coöperation with the American Public Welfare Association, American Society of Planning Officials, and National Association of Housing Officials. Chicago, American Municipal Association, 1937. 32 pp. Fifty cents.

City fathers wear perplexed frowns as they watch long lines of automobile trailers approaching their municipalities. Shall they extend a cordial welcome or shall they quickly tack up a sign of "no trespassing" and hope the visitors will move on?

The many problems—and they are serious, especially when the trailers are used as permanent dwellings—that have come with the sudden popularity of the trailer have caught municipalities unaware. This report is an attempt to give municipalities the benefit of what experience has been accumulated to date. Particular aspects treated include welfare, taxation, camp planning, housing, immigration, health, and sanitation.

Existing ordinances regulating the use of the trailer both in and out of authorized trailer camps are analyzed carefully and the ordinances of Miami and San Diego on this subject are given in complete form.

*

Tourist and Trailer Camp Regulations. By the United States Conference of Mayors. Washington, D. C., Report No. 129, 1937. 20 pp. mimeo. Fifty cents.

This is a study of municipal ordinances primarily directed toward the regulation of camps where auto tourists and trailer travelers stay in Los Angeles, San Diego, Berkeley, Long Beach, Oakland, Sacramento, and San Jose, California; Miami, St. Petersburg, and Jacksonville, Florida; and Charleston, South Carolina. The ordinances of Los Angeles, San Diego, and St. Petersburg are given in full and also included in the study is a model ordinance prepared by the California State Division of Immigration and Housing.

*

Reduced Street Car and Bus Fares for School Children. Report No. 130, United States Conference of Mayors. Washington, D. C., 1937. 18 pp. mimeo. Fifty cents.

Ninety-three out of 132 cities with more than fifty thousand population have reported that they have special reduced rates for school children on either street cars or buses or both. In addition, nine other cities reported reduced rates for all children under certain age limits. The special rates for school children, which usually amount to about half of the regular cash fare, ordinarily are provided for by ordinance or franchise provisions. This report gives the detailed data for each of the cities in which reduced fares were found.

*

Urban Local Government in Texas. By Roscoe C. Martin. Austin, Texas, University of Texas, 1936. 357 pp. Apply to University Publications.

Within the borders of Texas are five metropolitan areas (as defined by the United States census)—those of Dallas, El Paso, Fort Worth, Houston, and San Antonio. The functions and activities of the 285 governmental units contained in the five counties in which these metropolitan areas lie are examined by Professor Martin who through this study directs attention to certain problems of urban government that are paramount. He points out a definite trend toward inter-governmental cooperation between various units of local government.

*

Bibliography of Municipal and State Accounting. Bull. No. 7, National Committee on Municipal Accounting, Chicago, 1937. 30 pp. Thirty-five cents.

References to books, pamphlets, and articles dealing with accounting and budgeting for states, counties, cities, towns and villages, and schools. There is particular emphasis on material published since 1920. A list of bibliographies opens the door wider to those who would go even further than the specific references in this excellent bibliography.

*

Personnel Problems in Maine. By Orren Chalmer Hormell. Brunswick, Maine, Bowdoin College, 1937. 80 pp. Apply to Bowdoin College.

In the fourteen years from June 30, 1922, to June 30, 1936, the total number of state administrative officers and employees in the state of Maine increased 88 per cent. Approximately two-thirds of the increase is in four departments: liquor stores administration, health and welfare, institutions (not including the University of Maine and the normal schools) and the department of inland fish and game.

Career service in the state, according to Professor Hormell, is practically non-existent. Out of fifty-eight heads of departments, bureaus, and commissions comprising Maine's government in 1936, not more than five or six came from the lower brackets of service. Nepotism is common; 40.7 per cent of the employees in the state institutions are related. Promotions have little to do with quality of service.

An analysis of the personnel employed by the state and a brief review of the history of merit system proposals in Maine lead to a proposed bill providing for a system of personnel administration in state employment. The focus of the system is a state personnel board and a director of personnel.

NATIONAL MUNICIPAL REVIEW

MAY ✦ 1937

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• • • EDITORIAL

The States Make Plans for Unemployment Compensation
• • • R. GORDON WAGENET

Intergovernmental Fiscal Relations in the Nation's Capital
• • • LEWIS B. SIMS

The Challenge of the Trailer
• • • MABEL L. WALKER

The Charter League of the Electric City
• • • PHILIP L. ALGER

Public Assistance in London
• • • PAUL TUTT STAFFORD

A Successful Experiment in Public Assistance
• • • HAROLD I. BAUMES

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National Municipal League

THE LEAGUE'S BUSINESS

City Planning Committee Appointed.— Dr. Dodds, president of the League, has recently announced the personnel of the League's city planning committee as follows: Ernest P. Goodrich, *chairman,* William Exton, Jr., *secretary,* Harry B. Brainerd, Harold S. Buttenheim, Wayne D. Heydecker, Harold M. Lewis, Richard Schermerhorn, Jr., Flavel Shurtleff, Herbert S. Swan, and Frank B. Williams.

This committee has been appointed to work with the National Junior Chamber of Commerce as it proceeds with the preparation of its proposed national planning exhibit to be held in New York City. Members of the committee will act as a group of experts who may be consulted from time to time as the work on the exhibit proceeds. The project is being set up as a step in lay education in city planning and it is hoped that the exhibit may be kept on tour throughout the country for the next two years, arriving back in New York in 1939 to serve as the basis of an exhibit on city planning for the New York World's Fair to be held that year.

* * *

League Officials in the News.—*Dr. Harold W. Dodds,* president of the League and of Princeton University, has recently been elected a member of the board of trustees of the Rockefeller Foundation. He has also been appointed general consultant of the inquiry into the character and cost of public education now being conducted by the New York State Board of Regents, of which Dr. Luther Gulick, a member of the League, is director of research.

C. A. Dykstra, second vice-president of the League and city manager of Cincinnati since 1930, has accepted the presidency of the University of Wisconsin, succeeding Dr. Glenn Frank. He will officially take up his new duties at Madison on July 1st.

Richard S. Childs, chairman of the League's council, is now a member of the New York State Board of Housing. The appointment was made by Secretary of State Edward Flynn and approved by Governor Lehman. He succeeds Louis H. Pink, who resigned to become state superintendent of insurance.

Russell Forbes, our former secretary, who is now commissioner of purchase of New York City, was recently named by New York University students as this year's recipient of the Griffith Hughes honorary medal, presented each year to "an outstanding public servant."

* * *

Praise for the League's Consultant Service.—The *Atlanta Georgian* of March 2nd, in its column by Tarleton Collier, carried the following interesting comment on the survey of Atlanta's city government recently made by the League's Consultant Service under the supervision of its director, Dr. Thomas H. Reed: "The fellow who has always shied away from these experts in the science of running governments, convinced that at best they were theorizing braintrusters and at the worst a species of racketeer, probably feels better about them after scanning the report of Dr. Thomas H. Reed, director of the Consultant Service of the National Municipal League, who has just looked over the Atlanta situation and composed a prescription for the city's ills.

"Dr. Reed, coming here for talks in connection with Emory University's Institute of Citizenship, remained to accept a commission from the Atlanta Chamber of Commerce to study Atlanta's problems. His report should strike everybody as accurate in its appraisals, reasonable in its conclusions, and anything but hifalutin."

* * *

The League Loses a Staff Member.— Miss Geneva Seybold, a member of the League's staff since 1933, has recently resigned to accept a position in industrial research. Miss Seybold was editor of the "Citizens' Councils" and "Recent Books Reviewed" sections of the REVIEW and assistant secretary of the National Federation of Citizens' Councils—the citizens' council section of the League. We wish her all success in her new undertaking.

HOWARD P. JONES, *Secretary*

Editorial
Comment
✤
May, 1937

NATIONAL
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The "Indiana Plan" in Iowa

THE Iowa legislature has just adopted the so-called "Indiana plan" for state review of local budgets. The essential feature of this scheme that makes it attractive is its granting of an opportunity to protest and obtain revision before a presumably unbiased authority.

The taxpayer in most cities has no appeal from the decision of his local legislative body. The elected officials under sound budgetary procedure are, of course, required to hold a hearing prior to adoption of the budget but they may, of course, adopt whatever budget they please in the face of any number of protests. This is not likely to happen in election year but happens all too frequently in non-election years. The new Iowa law establishes a state board of appeal composed of the state comptroller, auditor, and treasurer. It will authorize deputies to hold hearings on a local budget if one fourth of one per cent of the voters in the taxing district, three of whom appeared at the regular budget hearing, have filed a petition of appeal. Under the law, if the protest is against an item which appears in previous budgets, the appellants must prove its unreasonableness. If the protest is against a new budget item the taxing authority must justify its inclusion. The state appeal board may approve or reduce the budget but may make no increases.

The probable value of the new Iowa law will consist in its being on the books rather than in its use. Like the seldom used recall provision in many city charters, it will serve as "the gun behind the door." Officials will lend more willing ears to taxpayer protests which if unheeded may be taken to a higher authority.

On the other hand, there is no substitute for citizen interest and participation in the processes of local government. Under a proper form of local government, with sufficient activity on the part of citizens to maintain effective government, appeal to a state agency should hardly be required. It is doubtful, for instance in any well run city manager city, whether such a provision of law would not be often abused. It lends itself readily to sniping on the part of a small minority in any government. We must be realistic about these things. If the political faith of the members of the board of appeals is similar to that of the local public officials who adopted the budget, the appellants are likely to be regarded as interlopers. If the local officials belong to the opposition party it may be conceivable that the aggrieved taxpayers may receive a warm welcome.

Behind that lies the fundamental difficulty of any outside agency determining the necessity of a particular item in the budget. Without extensive investigation of local conditions, the only basis for a decision of the outside agency is the effectiveness with which both sides present their cases. The issue, after all, is involved in the determination of human and community requirements. Opinions may differ radically upon such requirements. To illustrate, suppose there is an item in the budget to provide for the construction of a new school. A majority of the taxpayers in the community may feel that a new school is required. A minority of taxpayers may petition to have the matter reviewed. The state appeal board then must determine what is fundamentally a local issue. Thus we have vital issues of local self-government determined in the final analysis by an outside agency, a practice which obviously may be regarded as questionable.

In Iowa as in other states, however, the Indiana plan is being brought forward as an alternative to over-all tax limitation and from the standpoint of sound governmental fiscal policy it is certainly to be preferred. Such harm as might be done would not be irremediable; occasional good may come of it. In any event, thus will be provided another laboratory in which the operation of this form of state control over local finance may be studied.

A city to be great does not need to be large or rapidly growing. But it should be a place in which people are happy to live and work. It should have a personality and a civic pride in that personality. It should create out of the raw materials of its resources, physical and human, satisfactions which are abiding and permanent. Only if the social and economic foundations of the community are secure and its governmental organization sound can the city grow to real greatness. The challenge growing out of the last seven years of shock to American cities and to ours must be met. C. A. DYKSTRA, "City Manager's Page," *Municipal Activities of the City of Cincinnati, 1936.*

The States Make Plans for Unemployment Compensation

Forty-three states and District of Columbia have enacted laws under federal social security act.

R. GORDON WAGENET *Bureau of Unemployment Compensation*

UNEMPLOYMENT compensation has taken root in this country. With forty-four state laws including that of the District of Columbia already in effect and strong indications that the few remaining states will soon follow suit, friends of the social insurance movement may be inclined to pause for breath and self-congratulation. Not for long, however.

It is true we now "have a law" in this country. But the experience of other nations shows clearly that enactment of social insurance legislation signifies not a completed achievement, but only the first step in a long process of experimentation and self-education. For a quarter of a century Britain has wrestled with the problem of making unemployment insurance a realistic medium for relief of unemployment. The nation has, by methods of trial and error, attempted to come to grip with the facts.

We in this country are at the very beginning of that long road. Wisconsin had enacted an unemployment reserves act which became effective July 1934, but further state action came only with the decisive impetus given by the social security act. It is true that unemployment compensation is a fact in the great majority of our states, but actually we have hardly begun our experience with this type of legislation.

Many basic problems lie before us as yet unsolved—problems which fall within two major categories: (1) What are the soundest features to be included in a state law? (2) How should this law be administered?

The provisions of the federal act leave a very wide discretion to the states in determining the kind of law they will enact and the methods by which they will administer it. The principal feature of the federal law is a uniform tax upon pay rolls against which credits are permissible if the employer has made contributions under a state law. In order for the employer to receive credit, the state law must meet certain conditions. But these are few in number and are intended merely to make certain that the state has enacted a bona fide unemployment compensation law, as distinguished from relief, to protect the solvency and use of the state funds and to prohibit their use to lower labor standards. The requirements of the federal act in no way prescribe the fundamental provisions of state unemployment compensation laws. These are left entirely in the hands of the state.

The state must decide what type of fund it shall establish; it must designate the groups to be protected and those to be excluded. It is free to add or not to add employee contributions to those required from employers. It is also free to make provision for state contributions to the system if it so desires. Likewise, it determines its own scale of benefits, conditions of eligibility, waiting period, how claim procedures will be handled, and the administrative features necessary for the operation of the system.

No one knows what is the best answer to all these questions; no one knows what is the most effective technique, certainly as far as their application to conditions in this country are concerned. The federal law was deliberately designed to encourage that degree of experimentation by the states which alone can furnish the basis for conclusive answers. Within the flexible framework of the federal law, states may conduct experiments on a small scale which would not be possible under a central form of government. By setting up a variety of state systems with some federal assistance and supervision, we have the opportunity to test our theories before opinion and policies are definitely crystallized.

POOLED FUND OR EMPLOYER RESERVE PLAN

Perhaps the most controversial problem which the states face is the type of fund which should be established—the problem of the state-wide pooled fund versus the employer reserve plan. Where the major emphasis is on the greatest possible protection to the worker, through the insurance principle of spreading the risk, as in the British and most of the state laws, the tendency has been to pool all contributions. But where prevention of unemployment through stabilization of industry is the main objective, as in Wisconsin, the contributions of each employer are used to pay benefits only to his own employees through the use of the employer reserve system.

Each type of law has its advocates. Proponents of the employer reserve system argue that it provides a strong incentive to the employer to stabilize employment and thus to reduce the amount of benefits it will be necessary to pay out of his own reserve fund. Responsibility for unemployment is thus placed squarely on the shoulders of the individual employer; a responsibility which is eagerly accepted by advocates of the system. They point with pride to the accomplishments already made in Wisconsin, for example, in achieving a large measure of stability and in effecting notable economies in the short space of time since effort has been directed to this end. An imposing list of Wisconsin employers, all of whom endorse the employer reserve system and emphasize its advantages, has been compiled by the Wisconsin Manufacturers' Association.

Those in favor of the pooled fund point out that under the reserve plan the worker's benefits depend entirely upon the adequacy of his particular employer's reserve account. It is maintained that in irregular and seasonal industries, in companies with the greatest amount of unemployment, the worker will get the least amount of protection, since benefits must be scaled down to the resources of the fund. They also argue that it is impossible to hope for stabilization of employment through this means because the factors which govern employment and unemployment are far beyond the control of the individual employer. In favor of the pooled fund they point to the greater degree of protection it offers the employee, since his benefits are not contingent upon the account of any single employer, and they also maintain that the pooled fund plan is based on a true insurance principle—the principle of spreading the risk as widely as possible.

The states have dealt with this problem in different ways. The great majority of them—thirty-eight of the forty-four — have shown a decided preference for the pooled fund type of law. But of these, twenty-nine states have provided for some form of merit rating whereby, after a few years of experience with the system, employers will be classified according to their rate of unemployment under a system of differentiated contribution rates. By so doing the states feel they have incorporated in one system the principal advantage of the pooled fund—equal protection for all covered workers—and the principal advantage of the reserve plan —an incentive for stabilizing employment.

Still other compromises have been adopted. Indiana, Kentucky, and South Dakota meet the issue by placing five-sixths of the contributions in the employers' reserve, and one-sixth into a pool, as a kind of reinsurance fund. Oregon uses the same method, but places .5 per cent of all contributions in the pool, the remainder in employer reserves. In Vermont the employer may choose to contribute to a pool or set up a reserve as he wishes. Wisconsin remains the only state with a straight employer reserve plan.

Merit rating will be an American innovation in unemployment compensation. Much depends on the principle adopted and the care with which it is applied. Inasmuch as attempts to regularize employment in one enterprise may cause fluctuations in employment in other enterprises in the same industry, it has been suggested that in setting up standards for the purpose of merit rating an employer's record be compared not with the records of all other employers in his industry but simply with his own prior employment record. How merit rating will eventually work out, no one is now in a position to say.

Another major unsolved problem in unemployment compensation is that of financing. It is impossible to cope with the enormous wage loss due to unemployment by any system of compensation, relief or otherwise, without a very large outlay. Under the federal act it is anticipated that the great bulk of this cost will be borne by industry. In European countries the cost is commonly borne jointly by the employer, the employee, and the government. In this country, the District of Columbia law is the only one which provides for a government contribution. The general sentiment here seems to be that employers alone, or jointly with employees, should bear the cost of unemployment compensation benefits, with government funds used to cover the costs of administering the state unemployment compensation laws.

CONTRIBUTIONS BY EMPLOYEES

As to employee contributions, there is less agreement. Eight states—Alabama, California, Kentucky, Louisiana, Massachusetts, New Hampshire, New Jersey, and Rhode Island—require employee contributions. In favor of employee contributions is the argument that they will make possible more generous benefits and that they will give the employee a greater interest in the system and consequently a greater voice in its management. On the other side we hear the argument that employees cannot pass on the cost of their contributions to the consumer as the employer may do; that the employee as consumer will pay the great bulk of employer contributions in the form of increased prices. There is the further argument that employees, even though they remain employed, bear the brunt of slackening business through lower wages and fewer hours of work per week, and that they already pay for some unemployment since their compensation when unemployed amounts to only half their usual wages, and that for a limited time.

How far employee contributions will go toward increasing the amount or duration of benefits, and to what extent industry will pass on the cost of unemployment compensation to consumers in increased prices, is another of our unsolved questions. In fact, the entire problem of adequacy of the state fund in relation to different rates of contributions and benefits under varying conditions of employment and unemployment is one in which our knowledge is merely theoretical.

Other questions bearing on solvency must be considered. How long shall the waiting period be? Shall a high rate of benefits be paid for a short period, or a low rate for a longer period? Shall the system provide compensation only for total unemployment, or for partial and seasonal unemployment as well? And within what limits may we shift these various factors and still be certain that the fund will stand up?

Unemployment compensation benefits are necessarily limited by the amounts that are collected in contributions. But within this limit there can be considerable variation in amount, duration of benefits, and length of waiting period. In every unemployment compensation system a waiting period is required before benefit payments begin in order to allow time for establishing the applicant's right to compensation and to prevent exhaustion of the fund in paying compensation for very short periods of unemployment. A few of the state laws require a waiting period of three or four weeks a year. More commonly a waiting period of two weeks within thirteen weeks is required. A waiting period of this duration is sound at this stage because experience shows that a very high percentage of workers find other jobs within the first few weeks after they have been laid off.

In all of the state laws benefits are set at a definite proportion of the worker's former wages. This is considered the most equitable policy for all groups in this country, since regional differences in the cost of living are reflected in varying wage rates and the same degree of protection is thus provided for all. This rule, however, is usually modified by the stipulation of minimum and maximum benefits. All but two states provide for a maximum benefit of fifteen dollars per week. Wyoming sets the highest maximum, eighteen dollars, and Michigan provides for sixteen dollars. The minimum benefit which may be paid varies more widely. While the most usual figure is five dollars, or three-quarters of the full time weekly wage, whichever is less, several states provide a higher amount, up to eight dollars a week in Oklahoma, and four states—Alabama, the District of Columbia, Mississippi, and Ohio—set no minimum at all.

AMOUNT OF BENEFITS

With a few exceptions the state laws have provided that benefits shall amount to 50 per cent of the worker's full time weekly wages. The District of Columbia law is unique in that benefits are geared to the number of the worker's dependents and may be as high as 65 per cent of the former weekly wage. Wyoming sets the rate at 60 per cent of the regular wage. Four states—Connecticut, Indiana, Kansas, and Michigan—follow a different procedure and fix benefits at 4 per cent of the total wages earned in the three-month period of highest earnings during the last year or the last two years.

Since unemployment compensation is designed to benefit the regularly employed person, the duration of benefits bears a direct relationship to the employment and employability of the worker as expressed by his previous employment or earnings. Most of the states provide for a maximum duration of fifteen or sixteen weeks during the year, depending on the worker's past employment. Usually one week of benefits is allowed for each four weeks of employment in the previous two years. In increasing numbers the states are changing their method of calculating duration of benefits so as to base it not on past weeks of employment, but on the total amount of earnings in a given three-month period. The earnings method of calculating benefits offers the workers substantially the same amount of protection as the "time method," and since it does away with the necessity for keeping records of past employment by weeks, it has added simplicity and economy to recommend it.

The large majority of the states pay benefits to workers who are partially unemployed, although the definitions of partial unemployment and the rate according to which it is compensated, vary widely. None of the state laws provide detailed methods for handling seasonal industries, but fourteen states provide that the administrative agency shall establish special procedures for this group, and four states instruct their administrative agencies to study the problem.

While the scope of the state laws in general is closely identified with that laid down by the tax features of the social security act, some important differences are to be noted. Among the more recently enacted state laws there is a tendency to extend the protection offered through unemployment compensation by broadening the coverage to include firms with less than eight employees. Nine states—Michigan, Arkansas, Idaho, Minnesota, Montana, Nevada, Pennsylvania, Wyoming, and the District of Columbia—provide for full coverage within the insured occupations by including firms with one or more employees. Connecticut covers employers of five or more; Kentucky, New Mexico, New Hampshire, New York, Oregon, Rhode Island, and Utah cover employers of four or more; and Arizona and Ohio include employers of three or more. With a few variations, most of the employments excluded from the taxing provisions of the federal act have also been excluded in the state laws. These excluded employments are, generally speaking, agricultural labor, domestic service in private homes, government service, maritime service, employment by a non-profit charitable or educational institution, and services performed for a husband, wife, or child, or by a minor child in the employ of his parents.

INTERSTATE PROBLEMS

Two major problems arise out of our federal-state system of unemployment compensation. One is the problem of firms which operate in more than one state and are, therefore, responsible to more than one state unemployment compensation administration, as well as the federal government. The corrolary to this is the problem of interstate workers, or of those workers who move from state to state with or without having acquired rights to benefits in any or all of them. The solution of these problems—details of procedure, policy, and financing—can be solved only by the coöperative action of all the states concerned, with the federal government acting as a clearing agent and giving technical advice as needed. The interstate conference of unemployment compensation administrators, now established as a permanent organization, furnishes the machinery needed for this purpose. There is every reason to believe that a satisfactory and workable solution of these problems, as well as of other problems of an interstate nature, will be successfully achieved.

Beyond, and more significant even than these legislative problems, is that of competent administration of unemployment compensation. Unless we have efficient administration of the system, its purpose will fail, no matter how commendable the legislation.

STATE EMPLOYMENT SERVICE

The states are now confronted with the necessity of organizing the employment services for their part in the administration of unemployment compensation. Existing federal and state legislation contemplates close integration of these two activities and places important responsibilities upon the employment offices. In order to be approved by the Social Security Board and to receive federal grants for administrative costs, state unemployment compensation laws must provide, among other things, that benefits shall be paid solely through public employment offices in the state, or such other agencies as the board may approve. Under all state laws the state employment service is the agency through which benefits will be paid. In twenty-two states benefits become payable in January 1938, so that development and expansion of the state employment offices in order to meet the needs of unemployment compensation is an immediate problem.

This is but one of many situations requiring careful integration of unemployment compensation with other labor legislation, state and federal. How best to accomplish this, whether by placing the administration of unemployment compensation in the state agency administering other labor laws or in an independent agency, is a moot question. The states are about equally divided on the matter, twenty-one having created independent agencies and an equal number having created an unemployment compensation division in the state agency administering other types of labor laws. State or local advisory councils, with equal representation of employers, employees, and the general public, should be of great assistance to the administration in formulating policy and in assuring impartiality in the solution of problems. Fourteen states have provided for this type of advisory council.

The most fundamental problem in administration is, of course, that of adequate personnel. Efficient administration cannot be had unless competent personnel is selected on a merit basis and unless the staff has the understanding and flexibility to meet the needs of a new and untried institutional development. Job classifications must be worked out, standards of training and experience must be developed, and non-political personnel must be selected according to these standards. A political and incompetent administration with bad management of funds resulting in their dissipation would quickly discredit not only this particular state unemployment compensation system but the whole social insurance movement in this country. In every state public opinion must be aroused to this danger —must be made to realize that the best law will be meaningless if poorly administered.

For years we have been saying, "there ought to be a law." We now have a law, and it must be administered by efficient, non-political personnel if it is to become an established part of our governmental structure.

Intergovernmental Fiscal Relations in the Nation's Capital

Controversy as to what share of the municipal expenses of the District of Columbia the federal government should bear still rages

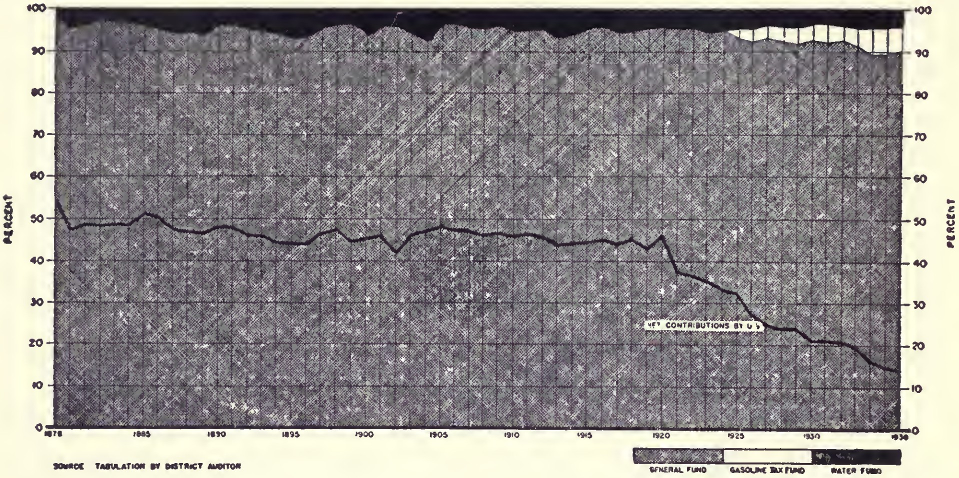
LEWIS B. SIMS *Washington, D. C.*

THE role of the federal government in municipal finance in the District of Columbia has been a subject of almost continuous controversy, investigation, and report for well over a century. Since 1834, when the first report bearing upon the subject was made, there have been literally dozens of official reports on federal-district financial relations; and unofficially there has been practically an uninterrupted study of the same or some closely related subject, carried on by the various citizens' associations, the Board of Trade, and professional economists and political scientists.

Recently, as the result of a special study of the fiscal relations between the federal government and the government of the District of Columbia, it has been proposed that the federal government's share of the district's municipal expenses shall in future years be cut to approximately one-half the sum made available for the operations of the current year.

This proposal has come as a painful shock to the people of the nation's capital. Rightly or wrongly, they had hoped for a recommendation looking toward a substantial increase in the federal liability to the district for the maintenance of the district's local government. During almost sixty years, ever since the reorganization of the local government in 1878, the federal share of the district's municipal expenses had been growing smaller and smaller. At first municipal costs were shared equally, the theory being that Washington was not only a city unto itself but also the seat of the national government; later the Congress decided to reduce its share of the burden of local government and established a 40-60 ratio; finally in 1925, the Congress (without repealing the "40-60 law") appropriated a lump sum of $9,000,000, which represented roughly only one-third of the local annual expenses for that year. But it was not the mere change to the lump sum method that was causing the local citizenry to feel that any fresh investigation would surely recommend a new deal for the district. The trouble was that this "lump sum" of $9,000,000 had itself been continually reduced. In 1933 it was cut to $7,775,000, and in 1934 to $5,700,000. While municipal expenses mounted, the federal contribution for the current year fell still further to $5,000,000—less than one-seventh of the total budget for the fiscal year 1937. Citizen resentment in Washington was rife. Each year the Congress itself wrangled over the fiscal relations issue. Something should be done about it, the national legislature decided.

In the district appropriation act for the fiscal year 1937 the Congress inserted a provision that $50,000 should be



Courtesy of U. S. Government Printing Office

Percentage Distribution of District Government Expenditures by District Funds and Net Contributions of Federal Government Fiscal Years, 1879-1936

available for making "an independent study" to ascertain what is "a fair and equitable amount to be paid by the United States as an annual contribution toward the expenses of the government of the District of Columbia."[1] In August 1936, President Roosevelt appointed J. L. Jacobs as director of the fiscal relations study and George McAneny, C. A. Dykstra, and James W. Martin as an advisory committee. To readers of this Review or to other students of municipal government and finance it is unnecessary to point out the qualifications and competency of the four men appointed to carry on the investigation.

The director of the survey in turn selected a qualified research staff, and on January 8, 1937, almost at the opening of the 75th Congress, the President transmitted to Congress the results of the fiscal relations committee's research, a report comprising 244 quarto-size pages.[2] The report is well written, well documented, and well arranged. To the impartial observer that much is clear, irrespective of how he may consider the conclusions and recommendations. The report is based upon a great deal of independent research, original statistical data gathered especially for the purpose, and a series of public hearings conducted by the advisory committee and the directer of the survey.

Public reaction to the report was extremely unfavorable. When it was made public, newspapers gave it voluminous and caustic publicity. One newspaper headlined, "D. C. Taxes to Soar as U. S. Slashes Aid—Fiscal Proposal Confronts City with Crisis." The amount recommended to be paid by the federal government toward the maintenance of the district government in the fiscal year 1938 was $2,533,357. Such a federal contribution would be the lowest of any year since 1889, when the national government contributed $2,380,000, an amount equal to 50 per cent of the municipality's small budget for that year. The amount proposed was promptly labeled "ridiculous" by the citizens' associations, the Board of Trade, the local chapters of the automobile associations, the district commissioners, and the newspapers. The report was attacked in whole and in detail. Even the arrangement was dubbed "confusing." One editorial criticized some of the conclusions on the ground that they had been produced by "a theoretical yardstick hitherto unapplied," indicating, perhaps, that independent theories should not be used in independent surveys.

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[1] Public No. 762, 74th Congress, approved June 23, 1936.

[2] Copies of this report may be obtained from the Superintendent of Documents, Washington, D. C., at 40¢ per copy. The report should prove a useful document for the student of intergovernmental finance generally.

CONGRESS CRITICIZES REPORT

Adverse criticism came also from the halls of Congress. Two prominent senators stated publicly that in their opinion the fiscal relations committee had exceeded the intent of Congress by going into such non-fiscal matters as suffrage and congressional control, adding that Congress already knew "infinitely more" than the committee regarding these questions. "Defects" and "difficulties" were pointed out. One representative expressed reticence to comment until a careful study of the report could be made—then added immediately: "However, I do believe the plan is unfair and decidedly inequitable to the district." From the Senate came a proposal to inaugurate an entirely new investigation of the fiscal relations problem to be carried on by a commission of five senators, five representatives, and five residents of the District of Columbia.

Two sub-committees of the House district committee were set up to study the Jacobs report, and during the weeks of March 8th and March 15th members of the fiscal relations committee were called to Washington to testify.

Aside from an increased contribution from the federal government, the primary desideratum, according to the taxpayers, was a "formula"—a fixed method by which the annual federal liability to the district might be determined in future years. A formula would obviate the necessity of the annual congressional wrangle. Realizing the desirability of finding a curative for the district's fiscal malady, the economic clinicians of the fiscal relations committee developed what they thought to be a definite, workable, three-point formula. Its application to the municipal budget for the fiscal year 1938 resulted in a recommendation, as previously mentioned, that the federal government share the district's expenses to the extent of only $2,533,357, less than one-fourth of the amount suggested as equitable by the citizens' associations. Had the application of the formula resulted in a recommendation for a higher federal contribution, perhaps the committee's sharing device would have received local commendation. Under the circumstances not only has this particular three-point method been roundly criticized, but even the idea of employing a formula at all has for the present been largely thrown into the discard. And out of the above-mentioned hearings of the House district committee concerning the Jacobs report, it developed that the congressional lawmakers were "unimpressed" by the formula method, with the result that they have recommended returning to the old lump sum method, at least for the fiscal year 1938.

The Jacobs committee based its recommendations upon a plan, or formula, consisting of three points, as follows:

> I. *Intergovernmental contractual services:* Contractual arrangements shall be established for the reimbursement of the cost of specific intergovernmental services supplied either government by the other. Appropriations therefor shall be included in the respective annual departmental budgets.
>
> Pending the grant of broader powers of local control over purely local affairs, unusual costs of the district government caused by statutes providing special allowances and leaves in excess of those usually provided in

cities of comparable size shall be met by the federal government.

II. *Capital outlays of joint interest*: The National Capital Planning Commission shall determine the extent of the respective federal and district interests in capital outlays and improvements included in the district budget. The capital outlay budget of the district, divided accordingly, shall be prepared and submitted by this commission through a district authority together with a long-time improvement program for the district similarly apportioned.

III. *Per capita governmental costs*: Pending the grant of broader powers of local control over purely local affairs, the excess of district governmental costs per capita over the average of those in comparable cities shall be assumed by the federal government through appropriations especially designed for this purpose, provided, however, that such excess district governmental costs shall be assumed only after allowance has been made for reimbursements due to unusual costs occasioned by congressional enactments referred to under point I of the formula.

SERVICES BY CONTRACT

Let us consider these three points individually. Point I is based upon a reasonable theory. Elsewhere the writer, in considering the subject of intergovernmental services on the lower levels of government, has concluded that coöperative services between governments frequently are desirable and that the most satisfactory method of paying for such services is by contract.[3] The system proposed for the District of Columbia involves merely the reimbursement to either member of the federal-district establishment for "services rendered." It is analogous to a city's paying its municipally-owned electric light plant for electric power received (an excellent practice too frequently ignored); it is analogous also to a corporation's providing for service payments between or among its various units. No robbing of Peter to pay Paul is involved. Strict accounting should be made of interagency transactions, and payment for services is something that ordinarily should be taken for granted. Indeed, some of the federal-district intergovernmental services are already reimbursed on a contractual basis—as, for example, certain institutional services—apart from the annual lump sum contributions from the federal treasury. If the District of Columbia be thought of as a state-county-municipal entity in itself, there is all the more reason for keeping track of intergovernmental services and paying for them what they are worth.

ESTIMATING WORTH OF SERVICES

But, it has been retorted, the very worth of many of the services can never be accurately arrived at, that any "estimates" made will never be replaced by anything except other estimates. To this objection we may with logic reply that estimates are better than guestimates[4] and that a series of careful though not wholly accurate estimates is far better than a single, over-all conjecture. Yet this hit-or-miss, unscientific system has prevailed in the halls of the national legislature at least since 1925.[5] That true perfection cannot be achieved in this case is patently not a valid argument against the plan.

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[3] See author's "Efficiency and Economy Through the Establishment of [Intergovernmental] Coöperative Services, *Sixth Report of the New York State Commission for the Revision of the Tax Laws,* Albany, N. Y., 1935, p. 501 (esp. pp. 508-513). Cf. Frank M. Stewart, "City-County Contractual Relationships," *Public Management*, January 1937, pp. 14-17.

[4] Joseph S. Davis, "Statistics and Social Engineering," *Journal of the American Statistical Association,* March 1937, pp. 1-7.

[5] The lump sum of $5,000,000 appropriated by the Congress for the current fiscal year was a compromise figure arrived at as the result of a prolonged disagreement in which the House of Representatives urged a federal contribution of $2,700,000 and the Senate insisted on a contribution of $5,700,000. On April 2, 1937, in recommending continuance of the lump sum contribution for 1938, the chairman of the House subcommittee on appropriations for the district asserted: "We finally made the best guess we could and we guessed at $5,000,000." (*Congressional Record,* vol. 81, p. 3934.)

Neither is it an argument to say that too much work, too much accounting, would be involved. Irrespective of whether actual payments are made or not, the facts should be known; and to provide these, a top-grade accounting system ought itself to be sufficient. Public bodies have long been too lax in their accounting methods, and the federal government and the District of Columbia cannot be dignified as exceptions to the rule.

The fiscal relations committee, with the coöperation of the federal and district officials, undertook an exhaustive survey of the intergovernmental services performed by both of the governments. A total of thirty-nine specific services, the committee has reported, are being performed for the district by the federal government, and thirty specific services (including water service) are being performed for the federal government by the government of the district. A net federal payment of $1,996,407 for intergovernmental services was recommended for the fiscal year 1938.

A few of the so-called services allegedly rendered the district by the federal government seem open to criticism. An example is furnished by the federal review, control, and compilation of the district budget. This function is not rendered, but denied the government of the District of Columbia. To charge the local government with $14,000 for this "service," as the committee proposes to do, appears to local critics to be insult added to injury. Also, the federal codifying and printing of district statutes seems to be no more a municipal function than the actual congressional enactment of district statutes, some of which ultimately go to make up the code. Although the committee recommends reimbursement to the district for making available special police details for specific federal purposes (e.g., police escorts for the President to or from the railroad station), it fails to make any recommendation concerning the general police protection afforded federal officials or the fire protection accorded federal property. Also, high salary levels obtaining in municipal Washington on account of federal standards are mentioned but not recommended for consideration.

Despite these minor weaknesses in the presentation of the case for payment for intergovernmental services, the concept appears clearly to be founded upon logical ground. And the very cost accounting necessarily incident to the recording of and subsequent reimbursement for such services might well result in improved reporting to the district taxpayers.

The second point of the formula is also based upon sound theory—that the costs of capital improvements in which the two governments have a joint interest should be allocated in accordance with the benefits expected to accrue to each government. A net federal payment of $536,950 for capital outlays in the district was recommended for the fiscal year 1938.

Although such a proposal appears to the writer to be possible of accomplishment, it hardly seems safe to say that the allocation of costs would be a "relatively simple matter," as the fiscal relations committee claims. Some doubt may also be expressed over the suggestion that the National Capital Park and Planning Commission, to be re-named the National Capital Planning Commission, be made the agency to prepare the improvement budget and to apportion the capital costs between the two governments. A city planning commission ordinarily is an agency constituted to prepare and develop a physical plan for the city and to enhance the city's beauty and livability. Even if the personnel of the park and planning commission (a federal agency) were changed to include local citizens qualified in "planning and engineering" (why not public finance and state and local government?), it is questionable whether the park and planning commission would be the appropriate agency.

COMPARISONS WITH OTHER CITIES

Point III of the committee's formula rests upon a theory that makes it the most debatable of the three points. The principle involved is that "district residents and taxpayers should not bear a burden of governmental cost for like services substantially in excess of that in similar American communities" and that any excess should be borne by the federal government so long as it exercises control over purely local expenditures. No federal payment was recommended on this score, since no excess district governmental costs were anticipated by the committee.

To the theory stated, three types of objections may be raised: (a) How are "like services" to be measured? (b) Which of the district's sister cities are "similar American communities," and what criteria are to be used in arriving at municipal similarity? (c) What effect does the acceptance of the principle of comparative costs have upon the argument that one-third of the assessed value of real property in the District of Columbia is accounted for by federal holdings, which are wholly exempt from municipal taxation?

Because of the gross lack of non-financial statistics concerning the operations and services of our American cities,[6] the fiscal relations committee compiled such data from certain cities in an attempt to ascertain the extent and quality of municipal services in the nation's capital as compared with other cities. Considering the limited amount of time available, as well as the paucity of available statistics, it may be said that the committee has prepared a useful summary of comparative governmental services—but not a completely satisfactory one. Although some current attention is being paid to the question of measuring municipal government,[7] we still have far to go in the development of quantitative methods in public administration.

Seventeen cities were chosen, on a population basis, as being "comparable" with Washington, Cleveland (1930 pop. 900,429) being the largest and Jersey City (1930 pop. 316,715) being the smallest of the cities selected. But is population the only criterion to be used? Municipal functions themselves vary greatly as between cities. The entire question of effecting comparability between the statistics of one city government and those of another has been up for discussion in many quarters for some time; and at the present moment the Bureau of the Census is hard at work trying to solve this problem. It deserves more attention than can be given it here. But the difficulties involved in defining municipal similarity so far as municipal functions are concerned would surely plague any federal-district survey agency set up to compare the nation's capital with other "comparable" cities.

Even if an acceptable method of determining comparability can eventually be found, to provide that the district government must bear a cost burden no greater than the "average burden" borne by other cities is to place a premium upon municipal inefficiency in the district—less efficiency, greater federal benefits.

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[6] The Bureau of the Census compiled certain non-financial municipal statistics in 1902, 1903, 1909, 1915, 1916, 1917, and 1918.

[7] See the series of articles by C. E. Ridley and H. A. Simon, "Measurement Standards in City Administration," beginning in *Public Management*, February 1937, pp. 46-49.

NATIONAL PROPERTY INCREASING

The amount and value of federal property—exempt, of course, from local taxation—is increasing steadily and rapidly in the District of Columbia, as is indicated by the following:

Fiscal Year	Percentage of Federal to Total Assessed Valuation
1930	27
1931	27
1932	27
1933	28
1934	30
1935	31
1936	31
1937	33

It is this extraordinary situation that gives rise to the entire fiscal relations problem under discussion. Although the removal from taxation of state and local real property by virtue of its being acquired by the federal government has recently begun to cause difficulties in certain areas of the United States,[8] the problem is peculiarly aggravated in the District of Columbia. In 1930 only 67 per cent of the value of real property was taxable; but today only 59 per cent is taxable. Can such a reduction in the geographic tax base continue indefinitely? The fiscal relations committee believes that this problem is solved by the acceptance of the principle involved in point III of its formula. But with that belief the writer cannot agree. It has been implied by the committee that the acquisition and improvement of property by the federal government enhances the value of all other property. However, the same is true in other cities when a large corporation buys and improves properties; yet the corporation does not thereupon become exempt from taxation upon its holdings.

The proposal to make the governmental cost burden in the district no heavier than that in other cities seems to be necessarily incompatible with the suggestion frequently advanced that the federal liability toward the maintenance of the district government be based upon the value of federal holdings in the district. One theory cannot be accepted without discarding the other. The fiscal relations committee made its choice and offered some arguments therefor. Although to the writer they appear more ingenious than convincing, they certainly warrant more dispassionate consideration by Congress and by district sympathizers than they have received to date.

The valuation placed upon federal property by the district assessor is based upon book value (historical cost) and hence on some of the holdings of the national government is probably excessively high, owing to the monumental character of many of the federal structures. Suppose, however, we err on the side of conservatism and compute the value of the federally-owned property on the basis of land value only (less assessed value of all parks), omitting entirely the value of improvements. The federal land value is $342,200,000, and the value of all parks is $70,000,000 leaving a net land value of federal holdings amounting to $272,200,000. Were these holdings to be actually taxed at the prevailing tax rate of $1.50, the total yield would approximate $4,100,000. Employing the theory alternative to the one accepted by the Jacobs committee, there would seem to be some degree of reasonableness to a plea that for running expenses the district government be made the recipient of an

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[8] James W. Martin, "Conflicting Taxation with Special Reference to Local Finance," *Bulletin of the National Tax Association,* October 1936, pp. 21-24.

The Challenge of the Trailer

Social implications of a new problem on the doorstep of governmental officials.

MABEL L. WALKER

Tax Policy League

THE nation that has learned to accept with nonchalance the automobile, airplane, radio, and mechanical refrigerator—all within a few decades—is now very much agog over the advent of the trailer. Although the trailer is mechanically much less startling than the other innovations mentioned it may perhaps, because of its tremendous sociological implications, cause more of a stir.

When the John Brown of the twenties bought the new Ford and the electrical gadgets, and even when he began to take business trips by airplane, he still continued to get his mail through the old post office and to pay his taxes at the county seat. He sent his children to the local schools and continued as before to be a resident citizen of the state with a permanent place of abode. Family life and the social structure, in spite of some minor inroads, continued to be much the same as before.

But when John Brown, 1937 model, buys a trailer and embarks with his household on a nomadic existence he creates new situations and problems that result in a lot of head-scratching and brow-wrinkling on the part of harassed government officials.

One may regard the trailer in pessimistic mood along with the health department officials of San Diego who state that "the trailer house-car is one of the greatest backward steps taken in American housing," or with a public welfare official who declared at a recent round table conference of the American Public Welfare Association: "If trailers ever get into mass production—God help us!" Or, one may view the trailer phenomenon with the optimism, not to say exuberance, of the trailer manufacturers and the trailerites themselves. More tempered optimism is viewed by some representatives of real estate and city planning. Herbert U. Nelson, secretary of the National Association of Real Estate Boards, holds that, "The general opinion seems to be that trailers are just another step in a rising standard of living and will not replace anything that is good."

Gordon Whitnall, planning consultant for Santa Monica, California, says: "I personally believe that there are certain very valuable potentialities in the trailer that warrant our seeking the good in them rather than blindly attempting to prohibit directly or indirectly by regulations."

It seems to the writer that the movement is fraught with tremendous possibilities—both for good and ill—and that if it continues to expand, as it now shows signs of doing, it will introduce unprecedented complexities in our way of life. Whether the net result is good or bad depends largely upon the intelligence with which the problem is handled. It does not appear likely that the trailer can be regulated out of existence. The activities of antagonistic officials who prescribe rules with that end in view will probably merely aggravate the problem. For if the officials of Smithtown, Anystate, place a taboo upon rolling homes, it is very likely that Farmer Jones with a large farm just outside the city limits may find a year-round crop of trailers more profitable than an annual crop of potatoes. A large unregulated community of trailerites on the outskirts of the city may prove more awkward than a controlled community within the city. The offering of trailer accommodations can easily become as widespread within the next few years as the offering of automobile tourist accommodations has become within the last decade.

EFFECT ON HOUSING

The trailer development is so new and so unprecedented in our social history that it may be well for us to tax our imaginative powers in an effort to visualize some of the possibilities and probabilities inherent in the situation. The trailer movement may have effective potentialities in the fields of housing, labor, education, health, and recreation.

The country is faced with a housing shortage. Permits issued for residential buildings in 257 identical cities dropped from a high point of 491,222 in 1925 to 27,381 in 1932, 25,879 in 1933 and 22,063 in 1934. They crept up to 55,810 in 1935, and 116,114 in 1936. There was no plethora of desirable housing in 1929 and the extreme underbuilding of the seven depression years has brought about a serious situation. There is substantial agreement among housing authorities that one-third of the population are living in substandard housing. The need for new dwelling units has been variously estimated at from 750,000 to 1,400,000 annually for the next ten years. Government-subsidized housing will do something to take up the slack but it is doubtful that any very considerable part of the housing need will be met in this way. The private house-building industry will do something to fill the need but that hopelessly archaic and inefficient makeshift of an industry will have to be thoroughly revitalized before it will come anywhere near meeting the needs of the housing market as well, for example, as the automobile and radio markets are being met.

The situation, therefore, with respect to housing the great mass of low income groups is most depressing and the trailer enters the picture of American life at a strategic moment.

If an average of 250,000 trailers is produced annually within the next few years and if as many as one-half of these are used as year-round homes, the trailer may prove to be a potent factor in averting a situation of wretched overcrowding and intolerable housing for great numbers of persons. For the removal of 625,000 families within five years and 1,250,000 within ten years from the low-cost housing market would make conditions more tolerable for those who stick to the stationary home as overcrowding, rent profiteering, and the use of most unfit structures would be thereby diminished. Also, the trailer may offer inspiration to builders and architects in meeting the demands of the low-cost housing market—a market which has been almost completely ignored in our past. It seems but a step—albeit a wide one—from the mass production of trailer homes to the mass production of stationary homes.

The trailer is far from being an ideal home arrangement, especially for large families, but it does offer certain amenities of sunshine, air, and sanitation which are not available in many of our crowded city tenements and impoverished rural shacks. Trailers may be parked in de luxe trailer parks for a small fee, or they may be stationed in more isolated spots for nothing at all. They may be bought at prices ranging upwards from a few hundred to several thousand dollars. Moreover, these prices will tend to decrease as a result of mass production and of the sale of second-hand models. In addition installment buying is being handled by automobile finance companies on about the same basis as time payments for automobiles. These figures make it appear that a certain modicum of decency and comfort as well as independence may be obtained in these houses on wheels by persons who have never had an opportunity to live in anything remotely resembling decent housing of a stationary nature. Also, it seems plausible to expect that this drain may serve to deflate the value of obsolete and inadequate housing and make possible the demolition of many old disease and fire traps and structurally unsafe buildings.

LABOR MOBILITY PROMOTED

The trailer may be of profound significance in affecting the mobility of labor, particularly in the case of seasonal trades. Farm hands, waiters in resort hotels, and other workers in migratory occupations may be able to find a new dignity and comfort in their trades as a result of these rolling homes. On visiting a trailer park in Miami the writer was informed that a large number of the trailerites were hotel waiters. The park was attractively laid out and planted with palm trees and other shrubbery. Two free movies and one free dance per week were provided by the management. Parking charges were two dollars per week for a trailer housing two persons. A charge of fifty cents per week was made for each additional person. (Summer rates are lower.) Sanitary facilities and a certain amount of free electricity were provided. The trailerites used their own gasoline stoves for cooking.

Not only workers in seasonal trades but also those in dynamic industries find security in mobility. The federal government has been attempting during the last few years to build up a coordinated system of public employment offices. The migratory laborer may find his economic position very much improved as a result of the simultaneous development of public employment offices which keep him informed of job openings and the trailer which enables him to follow up the job.

"Security is not always won by staying in the same place," declares Carter Goodrich in the September 1936 issue of the *American Labor Legislation Review*. "In a dynamic society, one of the serious risks is that of being stranded in an area of declining employment, and one of the most important means to individual security is the ability to move in response to changing opportunities."

The trailer may give several new twists to our educational program. From such scanty data as are available children seem somewhat in the minority among the permanent trailer population. Many of the year-round trailerites are elderly persons and there are also many young couples without children. Children of school age do, however, appear in the trailer colonies in some sections in sufficient numbers to cause protests from local officials concerning educational burdens. It is probable that this problem will increase in magnitude and may prove instrumental in bringing about greater federal support of education.

An interesting angle to the trailer-education subject is afforded by the presence of trailer colonies on some of our college campuses. Forty-four students of the State Agricultural College at Logan, Utah, are living in trailers. Some of the trailer families estimate their expenses to be as low as ten or fifteen dollars a month, including parking space, rental, and electric light and water bills. Trailer residents are to be found among many other college groups. Many of the trailers are made by the students themselves. It is doubtful that many students who can afford the more comfortable life provided by the dormitory or the frat house will resort to trailer residence, but the trailer may prove to be a means of making higher education possible for many persons who would otherwise find it beyond their reach.

HEALTH AND RECREATION PROVIDED

The health and recreational advantages of the trailer are fairly obvious. Many persons of limited means who may be suffering from ailments which can be cured only by a change of climate will find this made possible by the trailer. Extended travel and summer vacations by mountains and seashore will be brought within reach of the masses.

The trailer is essentially a poor man's commodity. There are, of course, the land yachts de luxe, but the persons who can afford them are unlikely to use them to any considerable extent. Among the middle income classes it is probable that trailers will serve mainly as a vehicle for vacation and weekend outings. But to great masses of the people below this income level the clumsy and humble rolling house will open up the way to a new freedom and opportunities for the pursuit of health, prosperity, and happiness which have previously belonged only to the wealthy.

The house trailer is certainly not an ideal form of residence, but it is vastly better than many persons now have. Trailer life is a forward step for some persons and a backward step for others. For Mr. and Mrs. Suburbanite and their two or three children, who now live in a comfortable six- or eight-room house with modern conveniences, plenty of sunshine, and good environment, to give up their home and adopt the trailer life would be a decidedly retrograde movement. They might, however, find it desirable to own a trailer for vacation purposes.

For the family living in a small, dirty, unheated New York tenement to which the sunshine never penetrates and which is served by a filthy hall toilet, life in a $500 trailer in a well regulated trailer park would be a great forward step.

Not only must we keep in mind the previous status of the trailer family in determining whether or not the trailer life is an advantage but we also have to know the reason for adopting trailer existence. There is a vast difference between living in a trailer a year or two in order to obtain a college education, to secure health benefits by change of climate, or to enjoy a period of extended travel and sight-seeing, and adopting the nomadic life as a permanent form of existence. Trailer life may be justified for great numbers of the population during the vacation periods, for others as a temporary form of existence in order to obtain certain special benefits, for low-paid laborers in migratory employment, and for some of the definitely submerged classes of the population who cannot afford anything remotely resembling decent housing that is now being offered in stationary homes.

Our attention has so far been con-

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The Charter League of the Electric City

Schenectady citizens' organization, having won fight for manager charter, continues its efforts on behalf of good government.

PHILIP L. ALGER

Schenectady Charter League

SCHENECTADY, inspired by Cincinnati's splendid example, has set for herself an ideal of good local government. Starting in May 1934, with a meeting of eighty citizens of varied interests, a Charter League was organized whose first undertaking was a campaign for the adoption of a council-manager charter (plan C of optional city government laws of New York 1914). This campaign was carried to success in November of that year.

In 1935, after winning a legal fight to prevent the plan from being declared illegal on a technicality, a hard fought campaign to elect candidates to the first council under the new charter was lost by a narrow margin. As a new campaign approaches, however, the Charter League is organizing with fresh enthusiasm to support the best available candidates for the council, and is also considering plans for an urgently needed county government reorganization.

To understand the story of this progress of the "Electric City" toward better local government ideals, something of the city itself should be known. Schenectady has a population of about 95,000, is situated in a good dairy and farming country in the Mohawk Valley, and is largely dependent on two manufacturing plants, the General Electric Company and the American Locomotive Company. These plants in good times directly employ more than twenty thousand people, of whom a considerable portion are foreign born. In short, Schenectady is a workingman's town. The city has also an unusually large group of college graduates and technically educated citizens, including the Union College faculty, engineers, and scientists. Participation of the latter group in public affairs has in the past been abnormally low, however, because of the transient residence of many of the younger men who are in training for positions in other cities.

The basic interest of the citizens in government is evidenced by the work of the Schenectady Bureau of Municipal Research, organized in 1927 and supported by about five hundred contributing members. The present director of the bureau, Mr. Abbett Pulliam, has been very active in publicizing information on municipal problems and providing data for the guidance of city officials.

The city was hit hard by the depression, factory payrolls in 1932 and 1933 falling to 80 per cent of their 1929 peak. Relief problems thus coming forcibly to public attention, many citizens for the first time became active in civic work. This interest was accentuated by the tax delinquencies and consequent financial troubles of the city, which led to the formation of a strong taxpayers' association. The officers of this group held many conferences with city officials, and thus became aware of the shortcomings of the local political leadership.

Schenectady has made several efforts in the past to secure better local government. In 1912, the city was aroused by paving contract scandals and elected the crusading minister, George R. Lunn, now chairman of the state public service commission, as mayor on the Socialist ticket. In 1925 a move to inaugurate a manager plan government was launched, but met organized party opposition and was defeated at the polls. The Charter League, therefore, has had some local talent and tradition to draw upon in forming its first organization.

THE LEAGUE ORGANIZES

The first executive committee of the league, elected in May 1934, included Mrs. R. S. Coulter, Mrs. Bruce Buckland, and Mrs. S. B. Fortenbaugh, active in the League of Women Voters; W. R. Grodkiewicz, prominent in boy scout work and Polish-American societies; F. J. Perrotta, president of the Italian Societies of Schenectady; Pat McEwan, president of the Pattern Makers' Union; J. P. Eaton, secretary of the original manager plan association; and four engineers, P. L. Alger, R. J. Finch, W. C. Heckman, and T. R. Rhea. Their first task was to agree on principles and a program of action. Complete agreement being reached after many hours of work and discussion, in August the League published five thousand copies of a twelve-page pamphlet, "The Council Manager Plan for Schenectady," and distributed them throughout the city. The following excerpts from this publication show the philosophy holding together the very diverse groups that make up the league membership.

> The Charter League of Schenectady is a citizens' organization formed to promote better government in Schenectady and the selection of public officials best qualified to serve Schenectady. The first object of the league is to secure a simple, business-like form of government for the city. It is believed that this can best be accomplished by the adoption of the council-manager form of government. . .
>
> All non-office-holding citizens are eligible for active membership in the league. No dues are required. . .
>
> Better methods of government than we have had in the past are needed in these days of greatly extended city services and duties. A careful study of local government indicates the council-manager plan to be the best form now available for Schenectady. The experience of other cities indicates that such a plan attracts a high type of public official and provides a government that is quickly responsive to public opinion.

The public response to this pamphlet was immediately favorable, and beyond derogatory remarks at their own meetings the political machines took no active steps to oppose the plan. Under the dynamic leadership of T. R. Rhea, a city-wide organization was formed to work in each voting district and to watch the voting machines on election day. A petition with nearly three thousand signatures was filed with the city clerk in September; letters soliciting opinions on the plan were sent to some five hundred clubs, societies, and organizations of every sort; and such outside speakers as C. A. Harrell of Binghamton, Walter J. Millard of the National Municipal League, William H. Lough of New Rochelle, Julius Hoesterey of Rochester, and R. F. Stedman of Syracuse were invited to address Schenectady audiences.

Educational efforts included the distribution of leaflets printed in English, Polish, and Italian, together with cards indicating the correct method of registering "yes" for the manager plan on the voting machines. League workers distributed these to nearly every house in the city, but did not attempt any canvass of the voters in advance of the election.

It was found impossible in this first campaign to secure active league workers resident in every voting district, but sufficient volunteers from other districts were found to inspect every voting machine before the polls opened at 6 A. M. and after they closed at 6 P. M. Two or three men were assigned to every district where the reliability of the election officials was in question, while one or two watchers, many of them women, were assigned to each of the other districts. Each watcher was instructed to make certain that all voting machine dials were set at zero at the start, and to personally read off the total number of votes cast for check against the total registration, as well as the totals for and against the question.

In financing the campaign—as well as the 1935 campaign for the election of councilmen—W. C. Heckman as treasurer and J. T. Broderick as finance committee chairman placed chief reliance on personal solicitation of a wide circle of friends of the league. The 1934 campaign required only about $1,000 and the 1935 campaign about $3,000, and in each case there was a small surplus the day after election. Social events that promoted acquaintanceship and publicity proved both a helpful source of income and an important means of enlisting new workers.

When the ballots were counted on November 6, 1934, the manager plan was declared adopted by a vote of two to one, with a favorable majority in seventy-three out of the city's seventy-seven election districts.

In several districts the presence of league watchers when the results were read off the voting machines was resented, and in one district they were refused permission to check the figures. As the results reported by this district gave the vote as 51 yes to 223 no, while all the other districts of that ward gave a two- or three-to-one favorable majority, the league immediately requested the board of elections to open and examine the voting machine in question. This being done, the correct vote was found to be 150 yes to 43 no, and as a result the election inspector at fault was indicted and convicted of a misdemeanor.

SUIT FILED

Opposition of the political machines was further evidenced by the immediate filing of a taxpayer's action to declare the adoption of the plan illegal on a technicality. The taxpayer (later found to have voted but not to have secured citizenship papers) was legally represented by the secretary to a former Democratic mayor, who was later given an appointive office by the first administration under the manager plan. Mr. Richmond D. Moot, attorney for the Charter League, was permitted to defend the case as a friend of the city. The first court verdict was favorable, but was reversed in the supreme court. The league then appealed to the New York State court of appeals, where a unanimous verdict in favor of the plan was handed down.

Each week throughout 1935, in preparation for the election of the first city council under the manager plan, the league supplied each newspaper with a brief article describing features of the new plan and league objectives.

The local newspapers have been very

fair and helpful in giving publicity to all Charter League activities. An editorial in one of the papers some time after the first election included the following statement: "The Charter League has done a tremendous service to the community in putting into tangible form ideals which had been for years in more or less nebulous state. . . . This indicates a fine spirit of public service. The members of the Charter League for some two years have been working, with no expectation of monetary reward or political jobs, to bring about better government in Schenectady."

The 1935 campaign got under way with a dinner in honor of Murray Seasongood, first mayor of Cincinnati under its manager charter, on May 13. Mr. Seasongood's address, giving Cincinnati's experience and ideals, was most inspiring and helpful in crystallizing the campaign plans. Under the leadership of Barrington S. Havens, as campaign manager, the ward organizations were formed anew, and educational activities carried on throughout the city.

CHOOSING COUNCILMANIC CANDIDATES

The principal question to be decided in this campaign was whether the league should enter its candidates in the Republican and Democratic primary elections, or simply endorse the best of the party candidates, or nominate its own candidates on an independent petition. Views differed greatly on this problem. Many believed the best course would be to work in the party primaries for the election of the best candidates, considering use of the national political party designations most important for success. Others believed that any candidate who owed his election to a party vote would be under such strong pressure for patronage that he could not serve the city disinterestedly. Practical difficulties of organization for work in the primary campaigns and in the selection of party candidates also indicated the nomination of independent candidates to be most expedient. On the other hand, a strong feeling existed that the league should use its balance of power to elect the best party candidates rather than creating a third party.

An important factor in the decision was the conviction held by many league members that municipal elections should be nonpartisan in character, as city government is just a matter of good housekeeping and does not involve party principles. Unanimous agreement was finally reached that for this first campaign a complete slate of candidates for mayor and council should be nominated by the Charter League on an independent petition after the results of the primary elections were known.

Selection of the candidates presented another difficulty, as it was desired to make the choice on a democratic basis rather than by the fiat of a small committee. Two independent committees were formed to consider candidates. One was composed of business men and others not active in the work of the league who were in positions to know the past records and abilities of candidates. The other was composed of the ward leaders and the most active workers whose energy and idealism formed the real strength of the league. Lists of names were discussed by each group and rated in order of preference, and the lists were then interchanged and rerated. Finally, unanimous agreement was reached, and a petition nominating the seven league candidates was circulated and duly filed with over seven thousand signatures, although only fifteen hundred were required by law. Two hundred and thirty league members participated in this work.

A leaflet listing the candidates and presenting the eight-point platform of the league was printed in English, Polish, and Italian, and distributed throughout the city. Numerous public meetings were held and in several cases candidates of the league and of the other parties spoke from the same platform.

The Republicans, having control of the city, were aided by city employees. Their candidates claimed public support on the basis of experience, and criticized the league candidates as impractical reformers. The Democrats put forward a slate including some candidates of a higher type than had been offered in many years, but also including some well known partisans. One of the women members of the Charter League executive committee was persuaded to resign and accept a place on this ticket. These candidates claimed support on the basis of a specific city departmental reorganization plan, and on their personal reputations. The league candidates stressed chiefly the need of eliminating patronage evils and introducing stable city employment based on merit alone.

The results of the election were very close, the Republican candidates averaging 12,677 votes each, the Democrats 11,609, and the league candidates 11,057. Six Republicans—three representing the regular party organization and three an opposing faction—were elected, together with one Democrat. The Charter League votes were distributed roughly in proportion to the degree of education of the voters in Charter League principles, the newspaper-reading "white collar" wards going strongly for the league.

In the first year of the manager plan, the Republican machine controlled only three members of the council of seven, but these three combined with the single Democrat to run the city government on conventional patronage lines, appointing the former city engineer as manager, and seemingly dictating his procedure.

The voters' general desire for improved local government was heightened during the past summer, when an audit of the county clerk's books showed a gross neglect of the records and disappearance of some $25,000. This scandal, and the general dissatisfaction with the Republican leadership, led to the election of a Democrat as county clerk in November 1936 after a hard fought campaign.

NEW MANAGER SELECTED

Following this defeat, the three organization Republican members of the city council, who come up for re-election in November 1937, agreed to recommend a new city manager. After the public had expressed its dissatisfaction with the 1937 city tax bills, showing a greatly increased rate, a fourth Republican councilman joined the three in extending an invitation to Mr. C. A. Harrell, city manager of Binghamton, to come to Schenectady. Mr. Harrell took office on February 16th, and has already initiated some desirable changes in the city hall.

In addition to preparations for the 1937 city campaign, the league is devoting a good deal of study to county government. The present county organization without an executive head and with the record of defalcations in the county clerk's office, is in need of change. Study of the various county government reorganization bills pending at Albany indicated that none of them gave the desired simplicity and complete freedom of organization suited to a small county such as Schenectady. At the request of the league, therefore, Mr. R. D. Moot has drawn up a bill (no. 1435 in the senate, and no. 1819 in the assembly) providing for reorganization of Schenectady county government, and this has been introduced in the legislature by the Schenectady representatives, Senator Miller and Assemblyman Armstrong.

After the legislature has acted, the league intends to prepare a pamphlet on county manager government similar to the 1934 pamphlet on city manager government, and circulate it widely for discussion and possible action this fall.

Those engaged in the Charter League activities have learned much about civic problems, and are gradually evolving a better understanding of means for securing better government. Whatever the ultimate success or permanence of the league's program, they feel that it has raised public interest to a new pitch and set forth high ideals of public management that will be a continuing force for better things.

The mere fact that the voters have offered to them an alternative to the conventional partisan slates of candidates markedly improves the standards of party performance. Thus, even though the league candidates were not elected, the public has been so far educated that the political parties cannot win the next election unless they do a much better job than formerly. For a given amount of effort, it appears that this indirect method of elevating the parties' standards by offering competition will be much more effective than the direct method of trying to work with the party committees.

In taking this independent position, the league has realized the necessity of maintaining a county-wide membership with a committee organization that will truly reflect public opinion and mould the league policies to accord with it. A new constitution was drawn up for this purpose, and was adopted at a public meeting of the Schenectady Charter League in February 1937. This provides for the election of two members of the county committee of the league from each voting district, preferably one man and one woman, and election by this committee of an executive committee of seven: a chairman, vice-chairman, secretary, treasurer, and chairmen of the advisory, campaign, and finance committees.

PROSPECTS GOOD

The prospects for a victory of the league's candidates at the 1937 election are very bright, as the number of interested workers is much greater than in any previous year, and the experience gained in the earlier campaigns will be most helpful.

Without presuming to advise others how to proceed with their own problems of organization, it may not be amiss to record some of the methods that the Schenectady Charter League has found helpful.

It is essential to preserve a disinterested organization. Complete reliance is placed on unpaid volunteer workers. Workers are found in any and all possible ways—by election, by appointment, and by spontaneous appearance. Every office in the league is filled on such an informal basis that responsibilities can be shifted to new shoulders without embarrassment. Thus, each volunteer does as much as he can and will, and finds his place by trial. Difficulties generally ensue in any volunteer organization if a large number of officers are elected without full knowledge of the time, the enthusiasm, the ability, and the good humor they can give to their particular duties.

Better progress is made by planning the simple fundamentals far ahead and working steadily toward these over many months or even years than by efforts to make great changes rapidly. In every meeting the basic points of harmony should be emphasized, wide latitude of discussion allowed, and an important vote should never be pressed until substantial agreement is in sight.

The longer one works in the field of civic improvements, the more one believes that foresight and a sense of humor are the basic necessities of a charter league movement. Some one has said that "to govern is to foresee." A companion maxim for volunteer organizations may well be that their survival depends on the pleasure of one sort or another obtained by members from their participation in the work, or "to endure is to enjoy."

FISCAL RELATIONS

(Continued from Page 229)

annual federal payment in lieu of taxes[9] amounting to not less than $4,000,000 over and above the payments for intergovernmental contractual services. Including a net figure for the latter, estimated, as mentioned above, at $1,800,000 for the current fiscal year, the federal share would approximate $6,000,000 annually—one million more than the amount of the current contribution.

However, before the fiscal issue can be settled, the very nature of the intergovernmental relationship existing in the capital city must be clarified. Basic political theories are involved. If the District of Columbia is a state-and-local governmental entity, only secondarily the seat of the national government, continued efforts should be expended (in spite of the inherent difficulties involved) to make its burden no greater than the burden would be if it were not the capital city, and a diversified state-and-local tax system should be adopted. If, on the other hand, the District of Columbia is primarily the seat of the national government, then some specific recognition should be given the extensive federal holdings of real property in the district. Concepts regarding the nature of the District of Columbia are many and varied. Until these are cleared up, the fiscal issue cannot be settled by researchers and investigators, no matter how expert. The existence of this first principle and the failure on the part of Congress and the district citizenry to recognize it foredooms any scientific investigation by experts in state and local government and public finance.

SOLUTION MUST BE FOUND

Although the House of Representatives, on the recommendation of the subcommittee on appropriations for the district, has approved for the fiscal year 1938 a continuation of the $5,000,000 lump sum contribution by the federal government and has thrown the fiscal relations committee report into the limbo of temporary oblivion, the writer hastens to point out that the report is a potential source of an extraordinary amount of information for use in future years. Meanwhile, the fiscal relations issue in the capital city remains a vital one, pressing for prompt action. Not only is the problem unsolved, but it apparently is no nearer solution than it was a year ago when the fiscal relations investigation was authorized, despite the inestimable value of much of the research conducted. This is regrettable. Yet little progress will be made toward ascertaining the appropriate allocation of local government expenses in the District of Columbia until the political theories underlying the status of the district—and hence any scientific investigation of the fiscal relations problem—are crystallized and generally accepted.

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[9] Perhaps our future experience elsewhere with federal payments in lieu of local taxation, a federal reimbursing device now less than a year old, may offer a solution to the district's century-old problem of federal-municipal fiscal relations. See Leo Day Woodworth, "Federal Payments in Lieu," *Bulletin of the National Tax Association,* January 1937, pp. 115-120.

Public Assistance in London

Socialist party reorganizes relief administration along more generous lines.

PAUL TUTT STAFFORD

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THE development of an adequate program of social services has been the most important governmental enterprise in Great Britain since the world war. Confronted with the problem of providing individual security within an economic system on the verge of collapse, parliament during the past fifteen years has issued a long series of edicts by which old duties have been expanded, new ones assumed, and an elaborate network of national and local services placed in operation. Under the stress of emergency and with few guiding precedents, the action taken has often been hasty, ill-advised, and wasteful. Mistakes, some very costly ones, have been made, and at times the widespread confusion has given rise to a general feeling of hopelessness and despair. But with characteristic determination the process of renovation and construction has nevertheless gone forward. Today, although far short of the goal which has been set, England is unquestionably in the vanguard of those nations who with some degree of success are developing their governmental services to meet the modern demand for an enlarged sphere of public action.

One of the principal objectives toward which the energies of the country have been directed in this herculean task is the reorganization of the poor law system. It is this aspect of the social welfare problem which, with the possible exception of public housing, has attracted the most attention from students of municipal government on this side of the Atlantic. There is much that can be learned from a knowledge of English experience in this particular field that will guide us in meeting our own pressing task of devising better systems of municipal poor relief.

My purpose here is to examine certain developments which have taken place in the administration of public assistance—as poor law relief is now termed—in London County since the passage of the local government act of 1929. London is selected not only because of the size of its local relief problem, but also because changes in administrative organization and procedure of far-reaching significance have been instituted there.

In 1929 control over the dispensing of poor relief throughout the administrative county of London was for the first time in history placed in the hands of the London county council. Prior to that time, although some effort had been made through the establishment of the metropolitan asylums board and the metropolitan common poor fund to spread poor relief costs more evenly over the metropolitan region, the real control of relief lay in the hands of the independent poor law guardians scattered throughout the area. By abolishing the poor law guardians and transferring their functions to the county council the local government act effected in one stroke the destruction of a highly decentralized system of administration and authorized the creation of a highly centralized one to take its place.

But the establishment of a central control system in London has not been accomplished so speedily. In point of fact central control has been reached gradually through a process of transition. It is important to note that parliament in 1929 *authorized* the creation of a new county-wide plan of administration: the construction and development of the plan, subject to the approval of the ministry of health, was left for the London authorities themselves to elaborate. In the transition from a decentralized to a centralized system of administration two distinct stages are now apparent: first, the period from 1930 to 1934 when the county council under the domination of the Municipal Reform party placed in operation a scheme in which the council's authority to direct the administration of relief activities was delegated to and diffused throughout an elaborate network of committees; and, second, the period from 1934 to 1937 when the Socialist party holding the reins of power succeeded in transferring this authority back to the county council.

The administrative scheme of the Municipal Reform group constituted an ingenious device for the maintenance of central control over general relief policy on the one hand, and decentralized control over the administration of relief on the other. Under the provisions of the scheme authority to determine all matters involving considerations of policy and to provide relief funds was vested in the county council, while the direct management of the relief activities was entrusted to a large group of committees. At the top of the hierarchy of committees was placed the central public assistance committee consisting of forty-eight members, of whom thirty-two were members of the county council and sixteen were non-council members coöpted by the council for this particular service. The chief powers exercised by this committee were the preparation of the public assistance budget, the determination of the nature of relief, the management of all poor law institutions, the provisions for domiciliary medical relief, and the maintenance of working arrangements with other central committees of the county council engaged in related social services.

MANY LOCAL COMMITTEES

Placed under the nominal supervision of the central committee were two layers of local committees. The first layer consisted of ten area committees, one for each of the ten areas into which the county was divided. These committees ranged in size from thirty-two to forty-eight members, and were composed partly of ex-officio members of the central committee but largely of persons coopted by the county council. The second layer of committees consisted of seventy-four district committees, one for each of the districts into which the areas were sub-divided.[1] The members of the district committees in each area were selected annually by the area committee partly from among its own members and partly from a panel of names approved by the county council for coöpted service.

The effect of the practice of coöpting persons for committee service from outside the membership of the county council was obviously to weaken, if not to prevent completely, effective control on the part of the council over the work of these committees. The council had a majority membership on the central committee, but there its direct control ceased. Of the total number of 380 members of the area committees in April 1930, when the scheme went into operation, only thirty-two were members of the central committee. Likewise, in the district committees an overwhelming majority of the members were co-opted from non-official sources.

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[1] The number of district committees was steadily increased. It stood at ninety-nine in 1934 when the Socialists gained control of the county council.

The real significance of the Municipal Reformers' plan lay in the fact that to the local committees was delegated almost unrestricted authority over all relief determinations. Except for the promulgation of general rules contained in parliamentary enactments and ministry of health regulations, the county council and its central public assistance committee gave to the local committees the widest measure of discretion in the all-important work of deciding who should receive relief, the amount of relief to be granted, and the form it should take, that is, institutional or domiciliary relief. Under the plan the permanent staff of relieving officers furnished the facts to the committees, but the committees after conducting a personal interview with each applicant made the final decision. As events later showed, the great bulk of this work was carried on by the district committees the members of which were for the most part farthest removed from the direct influence of the county council.

It appears that the theory underlying the operation of public assistance from 1930 to 1934 was that the function of relief determination was essentially a non-administrative task to be exercised by the elected representatives themselves rather than by the civil service staff of county hall. It was, however, manifestly impossible for the county council through its central committee to check the periodic granting of domiciliary relief to one hundred thousand persons, and to direct effectively the management of more than thirty institutional relief establishments. This work of necessity had to be delegated to a large number of subsidiary committees over whose day-by-day actions the council was able to maintain only the most perfunctory kind of review.

In the campaign of 1934 the Socialists vigorously attacked the relief record of the Municipal Reform administration. The chief criticism was directed to the application of the means test, which the Socialists contended was breaking up many homes, and to the relief allowances, which were said to be quite niggardly and insufficient for the maintenance of a decent standard of living. Victorious in the elections, the Socialists proceeded to carry out their avowed purpose of liberalizing the standards of relief.

EXTENSION OF RELIEF

In July 1934 the central public assistance committee sounded the keynote of the new relief policy for London. "Under the previous administration," said the committee, "many persons were refused relief who, in our opinion, should not have been excluded. . . . Further, many persons on relief were not, in our opinion, receiving sufficient assistance to meet their reasonable human requirements."[2]

It was soon apparent that the existing scheme for administering relief would not be an entirely satisfactory vehicle for the practical application of the Socialist party's ideas. The Socialists wanted of course to make certain that in the more well-to-do areas of the county, such as Westminster and Chelsea, where conservative tendencies were apt to predominate, the standards of relief would be as generous as in those regions, like Poplar and Stepney for example, where Socialist sentiment prevailed. The practice of delegating authority over relief grants to a large number of local committees, a majority of whose members were coöpted from various lay groups in the community, gives too little assurance that a more generous form of public assistance could be consistently maintained in all parts of the county. A tighter control by the county council itself would, however, enhance the prospects for success. The second stage in London's experiment with centralized relief administration was accordingly brought about as a direct result of purely political considerations.

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[2] *Annual Report on Public Assistance,* London County Council, 1934, p. 28.

The principal changes effected by the Socialists in the plan of administration were three in number. First, and unquestionably the most important, was the transfer of the function of determining relief allowances from the local committees to the county's civil service staff, a special class of officials known as adjudicating officers being created for the exercise of this function alone.[3] In order to preserve the traditional poor relief principle that any person affected by the poor laws shall have access to his elected representatives or to a committee appointed by and responsible to such representatives, the revised scheme provided certain restrictions upon the power of the adjudicating officers. To any applicant dissatisfied with the adjudicating officer's decision was reserved the right of appeal to the area committee. It was further provided that in certain kinds of special cases the decision would rest with either the area committee or the district committee. Cases involving the question of instituting legal proceedings in respect of offenses under the poor laws, for example, were to be referred automatically by the adjudicating officer to the area committee concerned. The district committees were authorized to render decisions in all cases where the transfer of married men to residential training centres was conditional to the grant of domiciliary relief to their households, and in any case which in the opinion of the adjudicating officer required district committee consideration. In addition, the new regulations reserved the right to the district committees to call any case before it for special consideration.

In actual practice, despite the provisions for committee action, this change in administrative procedure has resulted in the assumption by the administrative staff of the great bulk of the work involved in determining relief allowances. The latest annual report of the county council shows that during the period July 1, 1935, to September 28, 1935, the weekly average of cases handled by the adjudicating officers was 9,982. Of these, 119 came within the special classes established by the council for committee consideration, 158 were referred by the adjudicating officers on their own initiative, and only nine were appeals from the decisions of the adjudicating officers.[4] In view of the traditional, nation-wide policy of committee participation in local poor relief this constitutes a striking innovation in British poor law administration.

UNIFORM RELIEF REGULATIONS

The second principal change in the plan of administration was a necessary complement of the first. Whereas the local committees in carrying out the function of determining relief allowances had been guided only by general instructions from the central committee regarding the principles of relief, the county council now decided that the administrative officers to whom this work had been largely transferred would henceforth be governed by uniform scales of relief prescribed by the council itself.

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[3] The council also delegated to a special branch of the permanent staff, designated as assessment officers, the function of assessing the amounts collectible from persons liable to contribute to the support of any relief recipient. Previously, every case of assessment had been referred to assessment subcommittees of the area committees for consideration. Under the new procedure only special cases are submitted by the assessment officers to these committees.

[4] There were also 1,520 cases involving committee review of institutional chargeability. See *Annual Report on Public Assistance,* London County Council, 1935, p. 8.

These uniform scales were framed as quickly as possible by the reconstituted central committee in 1934, adopted by the council, and are now the rules governing the day-by-day work of the adjudicating officers throughout the whole of London County. In these scales the officers find the exact figures which they must consider as the amounts which applicants will need for maintenance each week. Thus, for two adults eighteen shillings are allowed; two adults and one child, twenty-two shillings; two adults and two children, twenty-five shillings; one adult and one child, sixteen shillings; and so on. Likewise there are now uniform rules governing the treatment of the earnings or income of every member of a household receiving relief.

The new relief scales do not, however, preclude the exercise of administrative discretion. The Socialists themselves admit that poor relief can never be transformed into an automatic application of uniform regulations. "The grant of relief," the county council said in its last report, "must remain essentially discretionary in character, and . . . any guide or standard used for administrative convenience cannot be interpreted to exclude the use of discretion."[5] Special provisions have been made for the use of discretion in such matters as rent, winter fuel, and medical treatment; and in any relief case the adjudicating officer may grant additional relief to meet exceptional circumstances. Nevertheless, it is quite evident that since 1934 the county council has not only confined discretionary power largely to the administrative sphere, but has also placed drastic limitations upon its exercise by the administrative officials themselves. How successful this systematic effort to minimize the use of discretion in relief-giving will be remains to be seen. It is interesting to note that a similar attempt is being made on a national scale by the unemployment assistance board in the administration of unemployment relief. Both experiments are now being closely watched.

COMMITTEES REDUCED IN SIZE AND NUMBER

The third principal change in 1934 involved a complete reorganization of the committee system with a view towards simplification, reduction in number and size, and, above all, an increase in the direct representation of the county council. Except for the transfer of control over institutional management to the central public assistance committee, the revisions here related chiefly to the composition and structure of the local committees. In the first place, the ten area committees were reconstituted with a smaller membership. In each of the five largest areas the area committee membership was fixed at fifteen, while in each of the other five areas the area committee was reduced to eleven members. Secondly, the number and size of the district committees were greatly reduced. The total number of these committees is now twenty-five, three in each of the largest areas and two in each of the smaller areas. Each district committee now consists of nine members, exclusive of the chairman and vice-chairman of the area committee who are ex-officio members of every area subcommittee, drawn from the membership of the area committees themselves and from a panel of names formed by the central committee of the council. The previous rule of the council that no person is eligible to membership on a district committee who represents that district on a publicly elected body, or is an agent of any political association operating in that district has been continued.

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[5] *Ibid.*, p. 9.

Recent figures indicate the full extent of the revisions in the committee system. When the Socialists took control of the county council in March 1934, there were ten area committees and ninety-nine district committees with a total membership close to thirteen hundred. When the council made its annual report for the period ending March 31, 1936, the total membership of the ten area committees and the twenty-five district committees stood at three hundred and fifty-five. The practice of co-option has of course been continued, but the direct control of the council has been substantially increased.

OBJECTIVES ACHIEVED

Has the reorganization of 1934, the principal features of which are outlined above, enabled its sponsors to achieve their underlying objective—the liberalization of public assistance? Relief statistics for the past three years are not complete, but there is ample evidence in the figures available that the answer is definitely in the affirmative. The following figures indicate the trend in the costs for domiciliary relief over a six-year period:

	Total Number of Persons	Total Cost	Average Weekly Cost per Head
1930-31	90,302	£1,555,717	6s.7 7/10d.
1931-32	90,082	£1,474,111	6s.3 1/2d.
1932-33	104,192	£1,630,673	6s. 0d.
1933-34	97,036	£1,605,272	6s.3d.
1934-35	105,124	£1,961,103	7s.2d.
1935-36	101,745	£2,040,378	7s.9d.

It is especially significant that the sharp rise in average costs per head occurred as soon as the Socialists took control in 1934. The average cost for 1935-1936 is almost 25 per cent above the average cost for 1933-1934. In view of the fact that the improvement in economic conditions which began in 1933-1934 continued during 1934-1936, the figures for the total number of persons on relief during the first two years of the Socialist administration are equally significant.

At the present time, it seems safe to predict that the more centralized system of control over the administration of relief inaugurated in 1934 will become a permanent feature of public assistance in London. The victory of the Socialists at the elections in March 1937 has insured its continuance for at least three more years. It is reasonable to expect its continuance despite any future change in party administration. If and when the Conservatives return to power they doubtless will find the same methods instituted by their predecessors very convenient and highly effective mediums for the practical application of their own ideas about aiding the impoverished. Complete control over administration on the part of the elective body of representatives, in other words, will be the most effective method in the future for executing those changes in general relief policy which important shifts from time to time in public sentiment are bound to require.

There is furthermore an important practical consideration. Under modern conditions public relief in London has become a huge problem of unprecedented scope. There is every indication that it will continue to be for many years, if not permanently, one of the greatest concerns of local government. The maintenance of a control mechanism similar to that now in operation is unquestionably essential if the London county council is to remain responsible for the general direction and management of this enormous undertaking.

A Successful Experiment in Public Assistance

Local welfare in Virginia given impetus by state aid and regulation.

HAROLD I. BAUMES

League of Virginia Municipalities

THE 1936 session of the Virginia general assembly has been termed the most constructive public welfare session since 1922 when a modernized system of poor relief and general welfare work was instituted. Although practically the entire public welfare program was affected by the legislation enacted in 1936, one of the most interesting experiments was made possible by the state public assistance act designed to give public relief to destitute persons. Nine months after the act became effective, twenty-three of the twenty-four cities and ninety-two of the one hundred counties have established recognized welfare departments. Before the act went into effect, only thirty cities and counties had such departments. Not only is this development in itself rather phenomenal, but it is all the more significant when it is realized that all this was made possible by financial assistance and guidance from the state without anything even approaching state domination or control of public assistance in the localities. The cities and counties, under the public assistance act, are still responsible for the administration of relief and home rule in this regard has not been destroyed.

This is an age of increasing centralization of administration. Such development in local, state, and federal government is apparent even to the most casual observer. Many people view this increasing centralization with considerable misgiving. They feel that the retention of home rule principles and local control over certain essential governmental functions is necessary to the continued successful operation of our democratic form of government. The success of the Virginia system of public assistance will be heartening to them.

The act merely provides that for the biennium beginning July 1, 1936, $950,000 the first year and an unconditional appropriation of $580,000 the second year, or the full $950,000 if a deficit is not thus incurred, shall be made available "for the purpose of assisting counties and cities to provide assistance to and for destitute persons in this state in need of public relief." These moneys are allocated to the counties and cities on the basis of population and are made available only after a local appropriation is made, equal to sixty cents for every dollar available from the state. Part or all of the allocation to the individual county or city can be secured on a matching basis. Of the total state and local funds, therefore, 62½ per cent comes from the state and 37½ per cent from the local governments. Ten per cent of state and local matching funds may be applied to local welfare administrative costs. Twenty-five thousand dollars was appropriated for the necessary expenses of the state commissioner of public welfare in carrying out the provisions of the act. The act provides that funds shall be expended, subject to such requirements as the governor may impose to have such funds used for the purpose for which they were appropriated, "in such manner as the boards of supervisors, councils, or other governing bodies of the respective counties and cities shall provide." Moreover, state and local funds under this act may be used to assist dependent children to match funds appropriated by the United States government.

The regulations promulgated by the governor were comparatively simple and may be summarized briefly as follows:

(1) The funds shall be administered by public welfare agencies.

(2) An office shall be provided and maintained by each county or municipality or combination thereof as one welfare or relief unit for the administration of relief and other welfare activities.

(3) Funds shall be administered by county or municipal welfare departments or workers.

(4) Welfare superintendents and relief directors shall be approved by the department of public welfare and elected by the boards of supervisors of the counties or the proper authorities of the municipalities.

(5) Relief applications shall be carefully investigated.

(6) Funds cannot be used for relief commissaries, nor can costs of work projects be borne by funds under the act.

(7) Relief benefits shall be authorized by the local relief administration.

(8) Local officials shall keep adequate records and a system of records and control approved by the state auditor of public accounts shall be maintained.

(9) Counties and cities shall apply to the commissioner of public welfare for state funds under the act, providing the necessary information and agreement.

(10) The commissioner of public welfare shall use the funds in a manner designed to develop a year-round program, making allowances for seasonal or emergency needs.

(11) Bond shall be required of local welfare or relief directors.

The simple regulations summarized briefly above establish certain minimum standards of efficiency, but do not destroy local control. They make possible the carrying out of the intention of the act, which is not only to supplement local relief funds, but to assist in the organization and maintenance of general welfare service. In the words of Arthur W. James, Virginia's commissioner of public welfare, "this program is the very opposite of superimposed state or federal government; it is as local in character as can be conceived where state funds are involved." It is significant that no part of either the state or local funds can be expended except upon order of the legislative bodies of the local political subdivisions. Welfare superintendents and the necessary personnel are selected by local officials after securing state approval to assure a reasonable degree of competency, by reason of training, experience, or both. Not only are the salaries and expenses of the local officers matters of local control, but the local welfare department must determine to whom the public assistance funds will go and the amount allowed in each case. Under this system, the most important function of the state department of public welfare is to assist the localities financially and advise local officials, without ordering them, regarding recommended practices in public welfare administration, the value of which they may not yet have come to realize. Finally, the work of the state department is highly educational, and after all, this is the only sound means of bringing about permanent reforms and improvements in governmental administration. No county or city has to come within the act unless it wishes to, and once it does, it can withdraw at any time.

Approximately the same development in local public welfare administration was possible under previous legislation, but with some state financial assistance and constructive technical guidance by the state department of public welfare, the counties and cities were able to accomplish more in six months than they had accomplished under the old system since the adoption of the general welfare act in 1922. The fact that the recognized county and city welfare departments grew from thirty to one hundred and fifteen in nine months is evidence enough of the success of the plan as far as the development of new departments is concerned. The almost entire absence of adverse criticism from local officials or relief recipients likewise indicates a large measure of success in the administration of the act.

COMPETENT PERSONNEL CHOSEN

The personnel chosen locally under state approval has been of a high calibre. Of seventy-eight county superintendents and twelve city social service or relief supervisors, seven have a master's degree and thirty-three a bachelor's degree. Sixty-six of the ninety attended college. The remainder are high school graduates with the exception of one, who in addition to two years of high school work graduated in nursing and has had special training in public health work. Thirty-five of the ninety workers attended an accredited school of social work; of these thirty-five, thirty had enjoyed previous experience in social work. All others have had some experience in general welfare or relief work, either as case workers or administrators. So far, due in large measure, perhaps, to excellent preliminary educational and field work, it has been necessary for the state department of public welfare to reject local suggestions for the appointment of personnel in only four instances. Obviously under this new program, technical qualifications have not been sacrificed for local political expediency.

There were 25,979 cases on record in December, of which 11,219 were service cases and 14,760 relief cases. Of the total number, 5,708 were cases involving persons sixty-five years of age or over. Forty-four per cent of the cases were employable. The amount expended per month per relief case has not been large, although the trend during recent months has been upward. Statistics of the division show that the average amount granted per month per relief case from July 1936 through December 1936 was $6.98, $6.80, $7.17, $7.24, $7.70, and $8.37 respectively. Substantial increases in many instances undoubtedly would be desirable. It is estimated that possibly 90 per cent of the counties and cities participating in the program apply for the full allotment available to them. This would indicate, therefore, that if the average assistance per case is to be enlarged materially, additional local appropriations must be made. Extremes in the amount allowed per case vary at present from a minimum of about $3.00 in the counties to a maximum of something under $15.00 in the cities.

STATE-WIDE WELFARE ORGANIZATION

The public assistance program has been made a part of the general welfare program of Virginia, giving the commonwealth for the first time a state-wide organization for the administration of welfare work in the cities and counties under the general direction of the state department of public welfare. Thus, the financial assistance of the state given without destroying local autonomy has made it possible for practically all the cities and counties to build up recognized welfare departments and to expand the general welfare program of the state in a manner which almost certainly would have been impossible otherwise. Local administrators of the public assistance funds also serve as family and child welfare workers, probation officers, and parole officers for state institutions. Moreover, machinery has been well established by which old-age assistance and other activities under the social security act can be undertaken in Virginia without the building of a new organization or the duplication of effort. This is possible merely by gradual expansion of the present program, with the continued recognition of local autonomy and with the assistance of state funds and the expert guidance and technical knowledge of the state department of public welfare. Virginia's successful experiment refutes to a large degree the arguments of those who feel that a state-wide program of public welfare work is impossible of attainment without unconditional centralization and the practical destruction of home rule.

THE CHALLENGE OF THE TRAILER

(Continued from Page 233)

centrated on the possibilities for good in the trailer movement. These should not blind us to the possibilities for evil.

The trailer appears to be definitely a menace to traffic conditions. Unregulated trailer camps may prove detrimental to the health and morals of a community. Fire hazards may be created. It is imperative that state and local officials take cognizance of these problems immediately and devise effective methods of regulation.

TAXATION QUESTIONS

One problem that arises in connection with the trailer is as to how and where the trailer should be taxed. Should it be considered a house and taxed as real estate, or should it be taxed as a motor vehicle or as other tangible personal property? Commissioner Henry Long of Massachusetts ruled in favor of the latter on September 23, 1936.

On the other hand, Justice of the Peace Arthur R. Green of Orchard Lake, Michigan, held in a decision of November 12, 1936, that a trailer is a dwelling. "A house trailer of the type occupied by the defendant, and having a great many of the appointments of a modern home, would come under the scope of a human dwelling, whether it stands upon blocks or the wheels attached thereto or whether it be coupled to or detached from an automobile."

Tangible personalty is ordinarily taxed at the residence of the owner, but what is the residence of a trailerite who may select a different location for every month of the year? Real estate is taxed at its situs but what is the situs of a domicile that is shifted from Maine in the summer to California in the winter with dozens of intermediate stops of varying lengths?

The trailer movement if it continues to grow will undoubtedly prove upsetting to local standards of educational and relief administration, but there does not seem to be any very obvious reason why in the long run it should prove detrimental to national standards. For example, if more relief families live in the south during the winter and in the north during the summer, costs of providing fuel, clothing, ice, and medical care should be reduced.

Before the trailer movement becomes very widespread it is probable that federal legislation will have to be enacted to prevent children of school age being moved about (without good reason) during the school term. Otherwise our state school attendance laws will become futile in many cases.

Undoubtedly also there will have to be some educational assistance for those states receiving the great influx of winter residents.

The heavy wheels of the trailer may do much to obliterate the fast disappearing state lines.

RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmsted

Atlanta's Financial Relief Plans Make Progress.—Legislation embodying the measures to relieve Atlanta's financial situation discussed in the March Review received the governor's signature late that month. As finally adopted, the entire program recommended in the report of the Consultant Service of the National Municipal League has gone through except that the statutory limit on city water rates is not repealed outright but is suspended for a five-year period.

Essential portions of the program—the power to refund up to $2,000,000 of bonds past due (now represented by certificates) and coming due this year, the power to fund the existing deficit carried in the form of scrip (about $1,600,000), and the power to issue temporary tax anticipation notes to be paid before the end of the year—are embodied in a constitutional amendment which is to be voted on by the people of Georgia on June 8th. But the other measures in the program required only legislative action and are now in effect, and the mayor and council are busy working out detailed plans for the city's rehabilitation in the confident hope that the constitutional amendment will also be passed.

Senator Paul Lindsay of DeKalb County, where a part of the city of Atlanta is located, ceased to oppose the program after assurances by the acting mayor that the unanimous sentiment of the mayor and council would be "active and determined opposition" to any attempt "to divorce from the city of Atlanta that part of our city lying in DeKalb County." This only further emphasizes the fact that the underlying cause of Atlanta's difficulties is the problem—as yet unsolved—of governmental integration in the Atlanta metropolitan area. The Atlanta Chamber of Commerce, with able newspaper support, is taking the lead in bringing this fact home to the citizens of the area and urging constructive action to prevent a recurrence of the emergency just met. The city authorities have also evinced a willingness to coöperate in a movement for a constructive solution, based on a complete study of the facts and a practical plan evolved in consultation with all groups of citizens.

L. R. Chubb

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Memphis Reorganizes Its Commission Government.—The city of Memphis, Tennessee, began May 1st to operate under an amended charter providing for the reorganization of the government to promote greater efficiency, according to the Memphis municipal reference library. The amendment involves the first major changes in allocation of departmental functions since the commission form of government was adopted in 1909.

The office of city clerk is succeeded by that of the city comptroller, elected by the board of commissioners upon nomination of the mayor, for a two-year term. He will have two deputy comptrollers, one assuming the usual functions of a city clerk and the other designated as chief accountant. The comptroller will supervise and control the city's general accounts, keep records showing its financial operations and condition, its property, assets, claims and liabilities, and all expenditures authorized. He is custodian of the city's various fiscal papers, bonds, and documents. It is his duty to coördinate the annual budget and to see that it is not exceeded as to any department unless authorized by resolution of the board of commissioners.

During the administration of the present mayor, Watkins Overton, the city's growth has presented new problems calling for the creation of a number of citizen commissions and boards and new city government bureaus. The adding of various bureaus and boards to the department of mayor and public affairs and health made it cumbersome; the name has been changed to department of administration and health, and it includes the mayor's office, comptroller's office, auditor, law, purchasing agent, health, personnel and efficiency, city planning, and city beautiful commission.

The department of accounts, finances, and revenue has become the department of finances and institutions. Besides the city treasury, delinquent tax collector, tax assessor, collector of licenses and privileges, and board of equalization, this department now includes several agencies formerly under the mayor: the municipal airport, auditorium and market commission, juvenile court, Oakville Sanatorium, and John Gaston Hospital.

The department of fire and police is now the department of public safety. Besides fire, police, motor vehicle inspection, and the dog pound, it includes, as functions formerly allotted elsewhere, the city court and its clerk, inspector of weights and measures, mendicancy control, fire and police pensions, moving picture censor, and the board of examiners of motion picture operators.

The department of streets, bridges, and sewers has been changed to the department of public works. The department of public utilities, grounds, and buildings is now the department of public service, including the building division, utilities and street lights, welfare, markets and research, and the art academy.

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Council-Manager Plan Developments.—The bill to enable all cities and villages in Illinois to adopt the council-manager plan by referendum, a right now restricted to villages of less than five thousand population, was defeated in the Illinois house of representatives by a narrow vote—seventy-two to sixty-seven—on April 13th, after it emerged from the house municipalities committee with an unfavorable report of thirteen to twelve. The committee hearing of April 7th was editorially described by the *Chicago Daily News* thus: "Citizen delegates from Chicago were howled down, delegates from downstate were refused a chance to speak. The self-determining intelligence of the urban voters in Illinois was flouted and insulted." The bill was primarily opposed by the Chicago machine. Only one Chicago Democrat and seven Republicans voted for it, while forty other Chicago representatives united to insure the defeat of this state-wide permissive measure.

Orange, Virginia, after operating under the manager plan by ordinance for a year and a half, adopted a manager plan charter on April 6th.

Binghamton, New York, which has had a city manager charter since 1932 (plan C under optional laws of New York State), voted April 20th to abandon its manager government and revert to the mayor and council form (plan F under optional laws). The vote was 7,591 to 5,175.

Cape May, New Jersey, also abandoned its manager charter by popular vote on April 6th.

Americus, Georgia, Canon City, Colorado, and Rutherford, New Jersey, all defeated manager plan charters which were submitted for adoption to the voters during the month of April.

*

Zoning Against the Next Flood.—Although proper flood control is not a local matter alone, but one calling for the coördinated activities of federal, state, and local governments, affected communities, besides using physical methods, formulating disaster plans, etc., can employ zoning to discourage the unwise use of the lowest, most flood-vulnerable grounds. A proposed amendment to the zoning ordinance of Louisville, Kentucky, would create a new type of district for lowlands within which no new residential structures could be erected and no existing residential building could be structurally altered. Appropriation of a special fund has also been sought with which to acquire a part of this area for park developments, as New Albany, Indiana, on the opposite side of the Ohio River, is doing.

In Cincinnati a proposed zoning amendment submitted to the city council would prohibit the building of any type of dwelling in industrial "B" and "C" zone districts, which include more than nine square miles of the city lying almost entirely in the area that was flooded.

*

Residence as Civil Service Qualification.—Two recent indications of the gradual breakdown of residence requirement as a qualification for state and local government jobs are reported in the *News Letter* of the Civil Service Assembly of the United States and Canada. The New York State civil service commission, announcing an examination for the position of associate civil service examiner, specifically waives the residence requirement, as has been done for various other positions recently. The Los Angeles County civil service commission and bureau of efficiency held an examination in April for a junior civil service examiner, and likewise did not require residence as a qualification. The Los Angeles city school district in seeking applicants for positions in the personnel departments has done likewise, and so also did Baltimore, Maryland, as to the position of manager of its bureau of assessments.

A change of attitude generally toward residence as a prerequisite to appointment to municipal jobs is noted from cities queried for *The Municipal Year Book 1937* by the International City Managers' Association. Forty-eight cities listed 138 non-residential appointments in 1936.

*

Connecticut Adopts Legislative Council.—The Connecticut house of representatives on April 13th by unanimous voice vote approved a bill creating a legislative council for continuous study, research, and planning with respect to problems of legislation. This is the second item in the state reorganization plan, noted in these columns in February, to pass the house, the other being the civil service bill. Action by the senate is awaited.

*

Vermont Abolishes "One-Family" Towns.—In Vermont each town (roughly corresponding to townships in the west), regardless of population, has a representative in the house of representatives, which has meant that the town of Glastenbury, with seven inhabitants, and Somerset, with twenty, have each counted as much in that branch of the legislature as Burlington, for example, with 24,779 inhabitants. The legislature that has just adjourned abolished the town governments of Glastenbury and Somerset—known as "one-family" towns because of their minute size and control by a single family in each—and they will be administered as unorganized communities by the state. Both towns consist chiefly of forest lands.

*

Consolidation of Prisons and Parole Recommended in Illinois.—The special prison commission appointed last year by Governor Henry Horner of Illinois rendered a report to the governor recently recommending the consolidation of all penal functions including imprisonment, probation, parole, and after-care under an administrative board of five full time members. Appointments would be by the governor for overlapping terms of fifteen years; special fitness for the work is stressed, without regard to politics, religion, or other affiliations. Salaries should be sufficient to attract competent persons, and provisions for retirement and pensions would be made. Departments of investigation, research, statistics, and case studies were included in the recommendations. Under this plan the present seven-member board of pardons and paroles would be abolished and its duties merged with the new board.

*

Social Scientists for Federal Civil Service.—College graduates with bachelors' degrees in the social sciences—economics, political science, sociology, and related subjects—were recently invited by the United States Civil Service Commission to take examinations for social science analyst positions, of which there are seven ranks. For the lowest of these—junior social science analyst—college training, without experience, is sufficient qualification for eligibility. This procedure is in line with the recommendations of the Commission of Inquiry into Public Service Personnel, which made this statement in its report of two years ago: "We do not believe that the public service should first be minutely classified into pigeonholes, for which the civil service commission tries to find men who exactly fit each compartment, but rather that the service should be divided into ladders, for which young men are normally selected to start on the bottom rung."

*

Economics Conference of Stevens Institute.—The seventh annual economics conference for engineers, held by Stevens Institute of Technology, Hoboken, New Jersey, will take place at Stevens Engineering Camp, Johnsonburg, New Jersey, from June 18th to 26th. The Society for the Promotion of Engineering Education is assisting in the enterprise. The general topic is "Labor, Wages and Prices and their Interrelations." Three of the eight evening lectures deal with governmental problems: financing social security, by J. F. Dewhurst, Twentieth Century Fund; the effect of government policies on engineering industries, by W. H. Rastall, formerly of the department of commerce; and the constitution and the courts, by Professor N. T. Dowling, University of Columbia Law School.

*

National Recreation Association Holds Annual Congress.—The twenty-second national recreation congress will meet in Atlantic City, May 17-21, 1937, at the Ambassador Hotel, bringing together approximately a thousand laymen and executives from all parts of the United States, including leaders engaged in varied types of recreational service. Representatives of public recreation systems and private agencies, of social agencies generally, and others will have an opportunity of group discussions of the recreation problems of youth, the enlistment and training of board members and volunteers, the building of strong programs for their respective groups, translating emergency service into permanent gains, interpretation of their work to the public, and the ever-present concerns of finance and administration, and other vital topics.

*

International Housing and Town Planning Congress.—The International Federation for Housing and Town Planning, London, and the International Housing Association, Frankfurt-am-Main, are arranging to hold a joint congress in Paris from July 5th to 13th, simultaneously with the International Union of Local Authorities and the International Institute of Administrative Sciences. A great exhibition, *Art et Technique dans la Vie Moderne*, will be held in the center of Paris this year, which will illustrate recent advances in architecture, city planning, transportation, sanitation, recreation, etc. In connection with the congress it is proposed to have various excursions in the neighborhood of Paris and two simultaneous study tours, commencing on July 13th, to enable delegates to study the progress in housing and city planning in other parts of France. The congress subjects will be on national and regional planning, the financing of the small dwelling, and the question of vertical or horizontal development, or urban concentration versus decentralization.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

North Carolina—*Social Security Legislation.*—The North Carolina legislature adjourned on March 23rd. On the whole its record was constructive. Its greatest single achievement was complete compliance with the federal social security program. Moreover, under the legislation enacted the beneficiaries may qualify to receive the maximum offerings of the federal Social Security Board.

Needy persons sixty-five years of age or over may receive monthly benefits up to $30, of which one-fourth will be paid by the counties, one-fourth by the state, and one-half by the federal government. Dependent children living with near relatives may receive up to $18 for the first child, $12 for the second, and each successive child up to a maximum of $65 a month for a single household—one-third to be paid by each unit of government. Needy blind persons will receive aid on the same basis as the needy aged but may not receive benefits from both funds.

To finance its portion of the program, the general assembly appropriated $1,770,000 a year, including $1,000,000 for the aged, $500,000 for children, $85,000 for the blind, and a contingent equalizing fund of $185,000 to supplement the taxes of poorer counties. Counties will be required to match each one of those items dollar for dollar with the exception of the equalizing fund of $185,000. With federal contributions added, the total amount available for security benefit payments in this state each year will approximate $6,000,000.

On and after July 1, applicants for old-age assistance and children's aid may file their petitions with the several county boards of public welfare. The boards will review the applications and determine the amount of benefit to which each applicant is entitled, on the basis of need.

After compiling their lists of eligible beneficiaries, the county boards of welfare will submit them to the state board of allotments and appeals, consisting of the chairman of the state board of charities and public welfare, the commissioner of welfare, and the director of public assistance created by the new act.

Equal authority in naming the county welfare boards is given the state and county. The state board of charities names one member, the county commissioners one, and the two select a third.

In speaking of the social security legislation Governor Hoey said: "Adoption of the whole social security program . . . the most forward and advanced step this generation shall take and the most humane enactment of any legislative body in all the history of the nation."

Public Schools.—The legislature made the largest appropriation in the history of the state for public schools—nearly $50,000,000 for the biennium. This is to cover all current operating costs of the schools for the minimum eight-month term. In addition, the general assembly authorized a bond issue of $1,500,000 to provide free textbooks in the elementary grades. Only those special charter districts established by legislative act will be able to vote extra taxes to raise their school standards from the basic eight-month term to a nine-month term. Counties as a whole may vote a supplement, however.

The state school commission was reorganized and is now to consist of fourteen members, one from each of the eleven congressional districts, the superintendent of public instruction, the state treasurer, and the lieutenant-governor. There will be an executive committee made up of the superintendent of public instruction, the state treasurer, the lieutenant-governor, and two other members of the commission. The major responsibility of the committee will be the financial administration of the schools.

Public Highways.—The state highway commission was reorganized, the new commission to consist of eleven members, a chairman, and one from each of the ten districts into which the state is to be divided. The duties of the chairman will continue to be about as at present, but each commissioner will have an added duty. He must set aside one day each month for public hearings. On that day the county commissioners of any of the several counties in his district may lay before him the requests and protests of the citizens in that county. He will convey these to the full highway commission at its monthly meeting. Previously the highway commission itself has been receiving delegations of citizens directly.

The cost of automobile license tags was reduced from 35 cents per hundred pounds of automobile weight to 30 cents with a seven-dollar minimum.

Another important piece of road legislation is an act sponsored by the federal government which gives the state a law in conformity with the federal motor carrier act of 1935. In the federal act the state commerce commission was given power to regulate interstate transports and buses. The state law will be administered by the state utilities commission.

State Department of Justice.—A joint resolution authorized the governor to appoint a commission of five members to inquire into the feasibility of establishing a state department of justice. It also passed a resolution to submit to the electorate a constitutional amendment in 1938 modifying the present requirement that solicitors, that is, prosecuting attorneys, be popularly elected, a provision which stands in the way of a thoroughgoing department of justice. In the meantime, the governor is authorized to establish a state bureau of identification and criminal investigation.

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Wisconsin—*Merger Efforts Meet Partial Defeat.*—Attempts in the current session of the Wisconsin legislature to forward the consolidation of the governmental structures of Milwaukee city and county have met with defeat. In November 1934, the voters of the city spoke overwhelmingly in favor of the idea of having the Milwaukee city councilmen serve also as the city members of the county board. A bill to effect this purpose was defeated in the Wisconsin legislature of 1935 by a small margin. Similar legislation was revived in the present session of the legislature. The proposal received the support of the county board and the city council, the latter asking that councilmen be given the additional duties of county board members, since some doubt was raised whether county board members could constitutionally be given the functions of city councilmen. In spite of this support, both the senate and the assembly bills embodying this method of consolidation were recently defeated. The senate bill was defeated by a majority of one vote, but the final assembly vote was fifty-eight to thirty-one against adoption. As usual the Milwaukee suburban groups were active against the legislation, probably fearing the trend of consolidation, as the bills concerned did not affect them immediately. The issue apparently cut across party lines.

In spite of this defeat, the consolidation issue continues to attract attention. Proposals have been made in the legislature to combine the Milwaukee and the metropolitan sewerage commissions. City of Milwaukee officials are fighting this consolidation as the plan now stands. One source of opposition to the proposal as presented is the provision for increasing state control of the combined sewerage commission.

The *Milwaukee Journal* has proposed combined health service for the entire county.

In the meantime, park consolidation in Milwaukee County continues. The town of Lake transferred a small park to the county during the winter, and in April the residents of the village of Whitefish Bay will vote on the question of transferring two parks to the county park commission.

Proposal to Amend Constitutional Provisions on Counties.—In November 1934, the Wisconsin state supreme court invalidated the commission form of government for Wisconsin counties.[1] A proposal for a constitutional amendment was introduced in the assembly in February whereby the legislature would be authorized to permit any county to select the form of government it desired, after a county-wide referendum. This proposal would eliminate the constitutional provision requiring the legislature to establish a uniform system of county government.

LEE S. GREENE
Tennessee Valley Authority

California—*Court Limits Admission to County Hospitals.*—Boards of supervisors in California have followed three types of policy in governing county hospitals. Some counties maintain a well equipped institution and admit persons able to pay for care as well as indigents. Others make a great point of insisting that such institutions are charity institutions. A third group maintain such poorly equipped institutions that none but the destitute apply for medical aid. A test of the power of boards of supervisors to admit pay patients was had in a taxpayers' suit in Kern County, *O. P. Goodall et al. vs. Perry Brite et al.* (*11 Cal. App.* (*2nd*) *540*). The court ruled that although the board of supervisors was empowered by law to make rules for admission to the hospital the state constitution prevented the county from giving medical care to those able to pay for care in private hospitals except in emergency cases. However, the court distinguished between "indigency" for admission to county hospitals and "indigency" for purposes of relief. Under the definition made it was determined that those not able to pay the full cost of private hospitalization might be admitted and charged according to ability to pay. The decision has clarified the problem to a great extent although legislation has been proposed to settle certain points not called into question in the case.

Counties Share in Social Security Costs.—Since the state relief administration was created in May 1934, the state and counties have divided responsibility for care of the poor. The counties continue to care for those regarded as unemployable by reason of health, age, or eligibility for orphan relief, etc., the state caring for employables not transferred to federal work relief projects. The state has continued to care for a large case load in certain parts of the state, particularly in Los Angeles County. For some time various groups have been working to return the administration of poor relief to the counties under a program that would provide a state subsidy for county administration.

The California Supervisors Association went on record at its annual meeting as supporting a plan that was reported favorably in the legislature. Under this plan counties will bear the cost up to an amount equalling the first five cents on each $100 of its assessed valuation, state and counties will share the next twenty-two cents on a fifty-fifty basis, all over twenty-seven cents per $100 will be the obligation of the state. The state relief administration will be abolished and the county welfare organizations will take over the case load. The plan will eliminate duplication of agencies and will provide some state aid to those counties having the greatest relief expense.

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[1] See *American Political Science Review,* Vol. XXX, No. 1, p. 101.

WINSTON W. CROUCH

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Montana—*Results of Legislative Session.*—Considering the tremendous demands for increased expenditures, county taxpayers suffered but little from the hands of the recent legislature, according to the March 1937 issue of the *Montana Taxpayer.* While the lawmakers turned a cold shoulder on a bill which would have placed a mild over-all limit on county tax levies, and another which would have corrected many of the abuses in so-called emergency spending, they also defeated one increasing the poor fund levy to ten mills and another setting up an unlimited old-age assistance levy as well as attempts to increase salaries of sheriffs and other county officials and to increase the number of deputies. The efforts of cities to secure part of the auto license and gas tax money did not succeed. Changes were made in several bills affecting counties, materially decreasing the costs of operation.

County Budget Law Amended.—Material changes were made in the county budget law. Under the new act a little more time is given the taxpayers to look over the preliminary budgets before they are finally approved and adopted on the second Monday in August. The amount budgeted for operating expenditures in the various funds will be limited to an increase of not more than 10 per cent of the amount expended for each item for the fiscal year immediately preceding.

County Consolidation.—One of the acts passed sets up the machinery for consolidating two or more counties by consent of the people, in conformity with the constitutional amendment that was passed by the people in November 1936. If the people residing in a county desire the abandonment of that county a petition must be circulated and the signatures of 35 per cent of the voters secured. The per cent is placed rather high because no withdrawals are permitted. Elections are then held in the county to be abandoned and the county or counties with which it is to be consolidated. Without the passage of this act county consolidation would have been impossible, as the constitutional amendment took the power away from the legislature. Voluntary consolidation is still quite improbable.

Four-year Terms.—Under a new act the people of Montana will get an opportunity in November 1938 to vote upon the question of increasing the terms of office of certain county officials to four years. County assessors, treasurers, clerks, sheriffs, surveyors, school superintendents, and public administrators are included in the proposal. For the purpose of increasing efficiency and decreasing tax costs there is the added proviso that the legislature shall be given the power to fix the qualifications of these officers. At present, only the qualifications of county school superintendents, attorneys, and surveyors are fixed by law. The qualifications required for other officials are now increased and four-year terms provided. As a result county government should be placed on a much higher plane in Montana. County attorneys and justices of the peace were not included in the amendment because of the fact that the constitutional provisions regarding these officers are included in a separate section.

Administrative Economies.—A new act reduces the necessary expenditures for deputies where offices are consolidated. Under the present act the fixed number and compensation of deputies makes little saving possible. The amended law provides that the county commissioners may determine the number and compensation of deputies necessary for the consolidated office.

Another act makes it possible for counties to refund at a lower rate of interest bonds issued prior to 1932 without an election. The old act made it necessary to hold an election in order to refund bonds issued since 1923.

Still another act will prevent duplication of mileage costs for sheriffs. No longer will it be possible for a sheriff to attend a dance fifty miles from the county seat and draw mileage for the purpose of preserving order, mileage for serving a paper en route, and mileage for each prisoner he may bring back to the county seat.

TAXATION AND FINANCE

Edited by Wade S. Smith

Financial Statistics of Ninety-four Cities for 1935.—The March Review carried an article based upon the Bureau of the Census' report on the financial statistics of the large cities of the United States for 1934. As the comparable data for 1935 are now available, they are presented herewith.

Revenue receipts for the ninety-four cities totaled $2,921,336,000, or a per capita of $77.64. Of the total, 60.2 per cent ($46.72 per capita) was from general property taxes; 15.6 per cent ($12.10 per capita) from grants-in-aid, donations, and pension assessments; 9.5 per cent ($7.37 per capita) from earnings of public service enterprises; and the remainder from licenses, earnings of general departments, special property and other taxes, special assessments, and miscellaneous sources.

Governmental-cost payments for 1935 totaled $2,623,941,000, and are subdivided into three classes: operation and maintenance, which is further subdivided for general departments, $1,797,798,000, or $47.78 per capita, and for public service enterprises, $126,973,000, or $3.37 per capita; interest on debt, both general and public service enterprises, $340,770,000, or $9.06 per capita; and capital outlays, $358,400,000.

Exclusive of outlay payments, the bureau report for the ninety-four cities shows that operation and maintenance and interest totaled $2,265,541,000, or $60.21 per capita. This was an aggregate of $655,795,000 less outgo than revenue receipts for all cities, only two cities reporting an excess of payments for these purposes over their revenue receipts.

Operation and maintenance of general departments for 1935 are further reported in nine classes, the total and per capita amounts being as follows:

	Total (000 omitted)	Per capita
I. General government	$139,144	$3.70
II. Protection to life and property	307,733	8.18
III. Conservation of health	42,069	1.12
IV. Sanitation	93,823	2.49
V. Highways	111,358	2.96
VI. Charities, hospitals, and corrections	337,990	8.98
VII. Education	566,558	15.05
VIII. Recreation	47,943	1.27
IX. Miscellaneous	151,180	4.02
	$1,797,798	47.78

Gross indebtedness, funded and unfunded, of the ninety-four cities as at the close of their fiscal year 1935 was $8,296,584,000, or a per capita of $220.50. This total included $2,713,789,000 for public service enterprises. Net debt was $6,397,603,000, or a per capita of $170.03. While there was an increase of $24,845,000 during the year in the net debt of the ninety-four cities as a whole, fifty-seven cities showed a decrease.

The total valuation of taxable property as assessed in 1935 was $56,327,645,000, or a per capita of $1,497. Of this total, $48,078,248,000 was real property, the remainder being personal or mixed. The valuation reported is that fixed locally but does not represent in all cities the full value, although the bureau is not reporting the ratio of assessed to full value. Not all property paid the full rate of taxes, as in some instances property is classified for levy purposes.

The total levies made in 1935 on property subject to general property taxes amounted to $1,774,451,000, or $47.16 per capita—the per capita levy, incidentally, being identical with the figure for 1934. This total includes the levies in the cities for all units of government—the city corporation, county, coextensive independent districts, and state. Exclusive of the state levy and the county levy in cities under 100,000, the amount levied for local government was $1,662,096,000, or $44.17 per capita.

Non-revenue receipts of the 94 cities in 1935 were $3,589,600,000, and non-governmental-cost payments, $3,730,565,000. These figures reflect a wide range of financial transactions not affecting the current operations of the city, including borrowing and repayment of loans; taxes and other receipts collected for and paid to other units of government; trust and agency transactions, sale and purchase of supplies, offsets to outlay, refunds, and general transfers. Payments for cancellation of indebtedness exceeded receipts from all classes of borrowing by $165,776,000 for the ninety-four cities as a whole, although in some cities borrowing exceeded repayment of loans.

These statistics will have an added interest when comparisons are made with those presented in the March Review. Special considerations affecting the figures there presented are not here repeated. The per capita figures for 1935 are computed upon a total estimated population of the ninety-four cities of 37,625,812, an increase of 40,000 from the 1934 total. This increase was for Washington, the only city whose estimated population was revised during the year.

C. E. Rightor, *Chief Statistician*
Statistics of States & Cities,
Bureau of the Census

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Iowa's Tax Refund Law for Homesteads.—Collecting taxes from one pocket to return them to another is the unique scheme Iowa has concocted this year for the owners of 318,300 homesteads in the state.

An act passed recently by the general assembly defines a homestead as a small plot of land with a home in which the owner lives. In a city or town, one half acre is the maximum size, except that a larger area up to an assessed valuation of $2,500 is acceptable. In the country, forty acres is the maximum.

About two out of three of Iowa's homesteads are urban. The average city homestead has an assessed valuation of $1,461, while the average rural valuation is half again larger. "To encourage the acquiring and ownership" of these homesteads—and thereby to combat the "rapid and alarming" increase of tenancy—the assembly provided for tax refunds to their owners. The law is a unique example of homestead exemption coupled with so-called replacement revenues.

In Iowa revenue from individual incomes, corporate income and sales taxes is pooled. The new law provides that after 3 per cent is paid into the general fund and after certain expenditures have been made from the fund, including several millions for old-age pensions, work relief, and direct relief, the balance of this pool will become a homestead credit fund. From this will be apportioned credits on property taxes of all homestead owners for assessed valuations up to $2,500. Each owner will share according to the proportion that his homestead's assessed valuation, up to $2,500, bears to the total assessed valuation of like eligible plots in the whole state. In no instance, however, will the credit be permitted to exceed the tax.

Beginning October 1st the state board of assessment and review will set each fall a millage credit (not to exceed twenty-five mills) to be distributed from the fund to each dollar of eligible homestead valuation. Each county auditor, having received word what his county's portion will be, will then give credit proportionally to each of the taxing districts or to the treasurer of each chartered city that levies and collects taxes separately from the county.

Getting his share is not automatic for the homestead owner. He must deliver to the assessor a verified statement of his claim or else file such a paper, supported by affidavits of two disinterested freeholders, with the auditor. This claim is then allowed or disallowed by the county board of supervisors. The owner is given four months to do this. If he slips up, he loses his share.

Once it is functioning, the law will provide a mild kind of redistribution of wealth, but apparently in the direction of taking, through the sales tax and the burden on tenants, from those that have not to give to those who are at least able to own their own homes. In short, the tenant gets no relief as he continues to pay the part of the real estate tax that is shifted to him and in addition is burdened with a 2 per cent tax upon his general purchases, his utility services, and his amusements. The average city home owner gets an exemption of $1,461, but he also pays a heavy sales tax. The more prosperous home owners get an exemption of $2,500. They are further favored in that the sales tax burden is proportionately lighter as the income increases. The mildly graduated income tax would, to a slight extent, offset this tendency but the total effect would still be regressive.

Robert W. Root
Ames, Iowa

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Indiana Tax Limitation Law Revised.—Amendment of the tax limit statute of Indiana by the legislature and governor early in March, briefly noted in this department last month, indicates a trend which may reasonably be anticipated in other states for reasons of economy if for nothing else. The revision, it will be recalled, was primarily instigated to secure lower interest costs on municipal borrowing by permitting debt obligations to be issued outside the limit.

Revision was effected by repealing the original tax limit laws of 1932 and 1933 and enacting a new statute in their place. The new act (chapter 119, acts of 1937) eases the earlier limits on the rate of taxation from the former $1.00 to $1.25 per $100 taxable valuation outside of incorporated cities and towns and from $1.50 to $2.00 per $100 inside the corporate limits, rates being inclusive of all units in each instance. The state is limited to 30 cents per $100. It is provided also that the county board of tax adjustment shall certify local budgets or revise downward when necessary, and may recommend to the state tax commission that levies in excess of the limit be permitted. The state tax commission is granted discretionary power to authorize budgets requiring levies above the limited rate.

Debt service is exempted from the rate limit under an admittedly ingenious scheme. Obligations outstanding prior to the enactment of the present law are all exempted, thus "covering in" all issued since passage of the 1933 law, which made similar provision. In addition, all future obligations issued to meet the requirements of the county welfare fund are exempted from the rate limit, as are all bonds issued pursuant to a prescribed procedure of notice and petition. This procedure is interesting, and calls for an original petition praying for the bond issue signed by at least fifty owners of taxable realty, filed with the body charged with the authorization of such obligations. If the body decides to issue the bonds petitioned for it must so advertise, and if within thirty days after notice no remonstrance is filed signed by a greater number of petitioners than originally petitioned for the issue, the obligation shall be issued and taxes for its amortization shall be exempt from the tax rate limit.

Whether this abridged and neo-referendum to determine whether bonds may be issued outside the rate limit is workable remains to be seen. Presumably administrations will experience little difficulty in securing the necessary petitions to initiate the issuance of any obligations intended to be sold. Conversely, any opponent would probably with equal ease be able to secure a valid remonstrance unless the original petition contained a high ratio of signatories among the taxpayers, and it is easy to imagine that the circulation of petitions and remonstrances might well approach the scope of a referendum of all realty taxpayers. And will the time come when smart tenants will insist on clauses in their leases, stipulating that their landlords will follow the tenant's own instructions respecting both petitions and remonstrances, to overcome the measurable disenfranchisement? Difficulties in the provision seem obvious, but perhaps the scheme is sufficiently simple so that it will be used only in clear-cut cases. At any rate, while limited tax bonds can still be used, the way is open for Indiana municipalities to escape penalty costs by issuing bonds outside the limit under the provision. The other features of the bill, cited above, seem to boil down to state supervision of local budgets, perhaps somewhat clumsily arrived at.

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Kentucky's 3 per cent "use" tax on the standard retail price of motor vehicles, which went into effect in May 1936, yielded approximately $500,000 to the end of the year, according to Revenue Director James W. Martin. Some 28,485 vehicles paid the tax, which averaged $16.88 each. Total cost of collection is estimated at from 4 to 5 per cent, with particular emphasis on preventing evasions.

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"State and local governments that continue to borrow for relief purposes seem to be following an unwise fiscal policy," says Carl H. Chatters, executive director of the Municipal Finance Officers' Association. He advises change of the revenue structures to permit them to meet relief charges from current revenues.

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And in Randall, Wisconsin, residents and officials are all stirred up about the disposition of a $16,000 town surplus, which press dispatches would have us believe presents a serious spending problem. Now, we don't know whether this is a budgetary surplus, or an actual cash surplus, but it's our deliberate judgment that the good people of Randall will find a way to wipe it off the books.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

P. R. in Massachusetts.—There are now pending before the Massachusetts legislature two permissive bills relative to proportional representation, described in this department for February and April 1937.

The bill introduced by Representative Christian A. Herter, making P. R. optional for city councils and school committees by petition of 10 per cent of the voters and popular referendum, was favorably reported by the cities committee and has successfully passed the house by a roll call vote of 113 to 109. It was first amended, however, to exclude the Boston city council from its provisions. It is now before the senate where it has received favorable action on first reading.

Early April witnessed the start of intensive propaganda and lobbying efforts. The women's groups have been unsparing in their activities. Seven organizations have pooled efforts in a number of joint letters and other material sent to each legislator—the Massachusetts Civic League, Massachusetts Federation of Taxpayers Associations, Massachusetts League of Women Voters (for all local leagues), Boston Chamber of Commerce, Boston Federation of Women's Clubs, Boston Real Estate Exchange, and Real Estate Owners' and Tenants' League of Boston.

The second bill, that of Representative Rufus H. Bond making proportional representation with the city manager plan optional for all cities but Boston, was brought in with an adverse report by the cities committee on April 29th. The house, however, upset the adverse committee report by a vote of 62 to 31 on first reading.

By the time this is published the ultimate fate of both bills may be decided. The straight P. R. bill must receive one more favorable vote in the senate and the enactment vote in both houses. The combination P. R.-manager bill has a somewhat longer legislative gamut to run. Meanwhile the attitude of the governor toward both bills is unknown.

Whatever the final outcome, P. R. legislation has already gone farther in the Massachusetts legislature than at any time in the past. It has become a major and growing issue.

H. C. Loeffler
Boston Municipal Research Bureau

Illinois Bill Loses in Close Vote.—After several public hearings, at which a good deal of public interest was expressed both from Chicago and from other parts of the state, the municipalities committee of the Illinois house of representatives voted thirteen to twelve to report the Slater-Teel optional P. R.-manager bill for Illinois cities and villages (house bill 414) with an adverse recommendation. On April 13th the house defeated the bill by tabling Representative Slater's motion not to concur in the adverse recommendation of the committee. The vote was seventy-two to sixty-seven. Debate lasted for two hours, most of the opposition coming from Chicago.

Some proponents believe that the bill could have passed the house if it had not been for a few mistakes of judgment in the campaign. The fact remains, however, that the bill came close to passing, while earlier proposals have never been taken very seriously by the legislature. The Chicago City Club, the League of Women Voters, the Chicago City Manager Committee, and other proponents will continue active educational work in the hope of actual passage at the next session.

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Other P. R. Bills.— As we go to press the fate of other bills making P. R. optional for various purposes hangs in the legislative balance.

Action is expected within a few days on the Desmond-Mailler optional county government bill in the New York legislature, which includes optional P. R. for county boards of supervisors. At a senate committee hearing on March 16th on this and the Buckley-Reoux (Mastick Tax Commission) bill for optional forms of county government no one appeared in opposition to either bill and representatives of the New York State League of Women Voters and a number of civic organizations urged the passage of both.

The bills which would make the city manager plan with P. R. available for Philadelphia and Pittsburgh have not moved within the last month, but since a long session is in prospect for the Pennsylvania legislature there is still a possibility of favorable developments before adjournment.

All three of the Pittsburgh newspapers, the Civic Club of Allegheny County, the Allegheny County League of Women Voters, the Allied Boards of Trade of Allegheny County, the Women's Legislative Council of Western Pennsylvania, and other civic groups are supporting the O'Keefe bill for Pittsburgh, though a number of them are urging improvements in its form. The local Democratic organization, after securing its unanimous passage in the house of representatives, appears to have lost interest because of recent political developments, but there has been no final decision.

"Sole responsibility rests with the Democratic organization," the *Pittsburgh Sun Telegraph* pointed out editorially on March 30th, "for it controls both branches of the legislature. . . .

"But though the Democratic leaders show signs that they would like to forget the whole business, we do not believe that the people of Pittsburgh will. . . . Strongly entrenched as the Republicans were, they were turned out by the people for thwarting the popular demands.

"Let Mr. Scully [the mayor] and Democratic State Chairman David L. Lawrence and Governor Earle profit by that example."

"If the senate were to kill this city manager measure," said the *Pittsburgh Post-Gazette* in an earlier editorial (February 22nd), "it would simply be following one of the worst examples charged to Old Guard Republicans." The editorial was entitled, "Would Lose Their Alibi."

The *Pittsburgh Press* hailed the introduction of the bill with these words (January 27th): "The Democratic leaders have kept their pledge to Pittsburgh voters by introducing a city manager bill in the house. It now is their duty to see that the bill is given prompt approval by the general assembly."

All three papers have referred to the inclusion of P. R. in the bill with strong approval.

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P. R. Argued in New York's Highest Court.— On April 26th and 27th the New York court of appeals heard argument on the two cases involving the constitutionality of P. R. as adopted for the New York City council. As related in last month's issue, the P. R. provisions had been held constitutional by Supreme Court Justice Lloyd Church in Manhattan and unconstitutional by Supreme Court Justice Philip A. Brennan in Brooklyn.

The case for P. R. was ably argued before the court of appeals by Assistant Corporation Counsel William C. Chanler and Thomas D. Thacher, chairman of the charter commission which presented P. R. to the voters last fall and former solicitor-general of the United States. Brief supporting statements were made on behalf of the Republican organizations of New York and Kings Counties by Gabriel L. Kaplan and A. David Benjamin and supporting briefs were filed on behalf of the Citizens Union, City Affairs Committee, League of Women Voters, City Club, Merchants' Association, United Neighborhood Houses and Women's City Club of New York jointly, and of the City-Fusion Party.

The arguments for the opposition were presented by Abraham S. Gilbert, Assemblyman Edward S. Moran, Jr., and William J. O'Shea, Jr., Mr. O'Shea representing the Democratic organizations of the five counties of New York City.

Judge Thacher in his brief presented as *amicus curiae* gave detailed evidence of the grave inequalities which P. R. was designed to correct and concluded:

> The single purpose of this brief is to demonstrate that constitutional provisions having no necessary or intended application to the problem in hand should not, by strained constructions foreign to the purpose of their adoption, be held to impose limitations on powers of government necessary to preserve the very spirit of the constitution and the integrity of truly representative democracy.

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An Election in Tasmania.—Tasmania, southernmost state of the Australian commonwealth, has used the Hare system of proportional representation for the elections of its house of assembly (state legislature) continuously since 1907. In view of the charge often heard that the adoption of this freest form of P. R. will necessarily lead to a splitting up of parties and a bloc system with no one party in control, the results of the most recent Tasmanian election, held February 20th of this year, are of some interest. Every one of the thirty seats in the house was won by either the Labor party or the Nationalist party and the former secured the substantial majority of eighteen seats to its opponent's twelve. The one third-party member of the previous house was defeated for re-election and the total independent and third-party vote for the five districts of the state was less than the quota sufficient for election in any one of them.

The votes of the two major parties were given almost exactly equal weight. The Labor party elected one member for every 3,959 first-choice votes cast for its candidates, the Nationalist party one for every 3,933. The results may be summarized as follows:

PARTY	FIRST-CHOICE VOTES	MEMBERS ELECTED
Labor	71,263 (59%—)	18 (60%)
Nationalist	47,204 (39%—)	12 (40%)
Others	2,996 (2%+)	0
Total	121,463	30

The People's Advocate of Adelaide for March 22nd, from which these figures are taken, estimates that at least 92 per cent of the electors exercised their franchise. It concludes its account with the statement:

> This system of voting has been in practical operation in Tasmania for more than a quarter of a century, has proved an unqualified success, meets with the approval of all parties, and should be adopted by all the states and by the commonwealth for future elections.

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Hearne of Wheeling Added to P. R. Council.— The trustees of the Proportional Representation League, now merged with the National Municipal League, take pleasure in announcing the election of Julian G. Hearne, Jr., of Wheeling to fill a vacancy in the P. R. League's advisory council. Mr. Hearne was one of the leaders in the formation of the Wheeling Association, of which he became the first chairman, and in that association's successful drive to secure the adoption of the city manager plan with proportional representation and to elect a high grade council by P. R. in 1935. He is an attorney. Those who attended the P. R. dinner at the National Municipal League convention in Providence two years ago will remember his inspiring account of the whirlwind compaign by a group of young idealists which secured the necessary enabling legislation from the West Virginia legislature, won popular approval for the new charter at the polls, and installed a new type of city government under it, all in the space of half a year.

CITIZENS' COUNCILS

Edited by Geneva Seybold

Kenosha Civic Council.—Sixty-one organizations are now represented on the Kenosha Civic Council, the oldest citizens' council in Wisconsin and one of the oldest in the country. The Kenosha council is made up of two representatives of each of the outstanding organizations in the city and has been serving to coördinate the activities of these groups and focus public opinion for the last fourteen years.

Among the council's activities during the year just completed was the instituting of a county-wide movement for a mental hygiene clinic. The civic council is financing and conducting a large scale campaign of local education looking toward the establishment of such a clinic.

The council conducted a study of the need of pasteurizing bottled milk and secured passage of an appropriate ordinance by the city council. A complete survey was made of the possibilities of setting up an auto trailer camp in Kenosha and a report prepared which is now ready for consideration by the civic council delegates.

One of the council's committees is working on a plan for controlling the quality of coal sold in the city, similar to the inspection of milk, food, and beverage products. During the year the council conducted a comprehensive investigation of local mass transportation fare rates with the intention of securing a fifty-cent weekly bus fare for school children.

The sponsorship of a series of town meeting type of forum discussions on current controversial subjects through the agency of the University of Wisconsin Extension Department is being considered. The council has long been accustomed to forum discussions. At each of its monthly meetings a twenty-minute speaker explains some phase of local government or some action of state or federal government affecting the local government, after which there is open discussion of the subject.

As a coördinating agency the Kenosha council has been found of great value by the city's organizations. The organizations are circularized and dates and hours secured of all regular and special meetings and this information posted on a bulletin board in the city library. This has served to prevent avoidable conflicts of dates.

The Kenosha Civic Council has recently helped other communities in the state in the establishment of similar councils. Last year officers of the Kenosha organization helped the representatives of twenty-three organizations in Racine form a council there and more recently they have been aiding groups in Manitowoc where a committee is now working on organization plans.

Robert M. Smith is secretary of the Kenosha Civic Council.

*

Altadena Citizens' Association.—The question of incorporation or annexation to the city of Los Angeles is still a paramount one among citizens of Altadena, California, and the subject of continuous study by the Altadena Citizens' Association. A reason for the fact that the community has not felt the need for incorporation more forcibly than it has is that through the efforts of the citizens' association Altadena has obtained many of the governmental services of incorporated places.

It was the first unincorporated community in California, for example, to adopt zoning, much of the credit going to the zoning committee of the association. The year after a permissive law was passed by the 1923 state legislature, through the efforts of the citizens' association a fire protection district was formed safeguarding Altadena. There are now thirty unincorporated communities of Los Angeles County each maintaining its own fire protection district. The Altadena district sponsored a plan of coöperation, now in effect, whereby a central headquarters is maintained and paid for by these thirty districts and under which the districts give one another assistance in event of need. A proposal to merge the thirty districts into a single district is now before the county board of supervisors and is being studied by the fire committee of the citizens' association.

Through the efforts of the association the Altadena library district was organized in 1926, the first of its kind in Los Angeles County. All unincorporated communities of the county have benefited by a court action brought by the citizens' association to test the validity of the law authorizing library districts, the decision being favorable to the association.

Another community development in which the citizens' association pioneered was in the formation in 1922 of the Altadena lighting district. When the metropolitan water district was being formed the water committee of the Altadena Citizens' Association had a clause inserted in the law permitting unincorporated communities to become a part of such district if they so desired.

The citizens' association makes a detailed study of the proposed county budget each year and submits its recommendations to the board of supervisors. Proposed bond issues are analyzed and publicity given them before election.

Committees working on problems of flood control, highway safety, and welfare have been especially active during the last year. The accomplishments of the Altadena Citizens' Association are a continuous demonstration of the value of organized effort of citizens in civic affairs. The organization issues a monthly mimeographed news letter.

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A community league has recently been formed in Wright's Shop, a rural community adjacent to Madison Heights, Virginia. Madison Heights has had a citizens' council for the last three years which has concerned itself chiefly with physical improvement of the community—sidewalks, water, sewers, roads, fire protection. It has also studied problems in connection with the schools and made an annual study of the county budget. Wright's Shop hopes to have as effective a citizen organization as its neighbor. Officers of the Madison Heights Citizens' Council have been assisting in the formation of the Wright's Shop council.

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A citizens' council organized a year ago in Hamden, Connecticut, a suburb of New Haven, has limited its program thus far to problems connected with education and the administration of the schools. A smaller school board and selection of school board members on a non-political basis are immediate goals of the council.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Public Administration Service.—During the past year, Public Administration Service has engaged in a wide variety of survey and installation projects, assisting agencies at all four of the levels of government—federal, state, county, and municipal—in the adoption of improved methods in public welfare, finance, accounting, purchasing, police, public works, personnel, and social security fields.

A major assignment which has just been completed has been the putting into effect of the provision of the state reorganization act adopted early in 1936 by the Kentucky legislature. This involved the transfer of functions, personnel, records, and equipment between various state agencies; the reallocation of office space; and the establishment of a new department of finance, with full responsibility for centralized budgeting, accounting, purchasing, and personnel control. A complete accounting system was devised and installed, budgeting and purchasing procedures were formulated and set in operation. A significant product of this part of the work has been the publication of a *Handbook of Financial Administration in the State of Kentucky.* While this is an operating manual intended primarily for the guidance of state officers and employees in the use of the new procedures, copies are available to others through the publications division of Public Administration Service.

Although detailed assistance in the establishment of the new division of personnel efficiency was not contemplated under the original project, the governor has recently requested that Public Administration Service prepare complete position classification and compensation plans for the state service, and work on this assignment has been begun.

The growing interest in merit personnel systems and also in the integration of public welfare services on a permanent basis is reflected by several recent PAS projects, two of which combined assistance in securing both of these improvements. Pursuant to requirements in the acts creating them that merit principles be observed in personnel activities of the Indiana state department of public welfare and in the unemployment compensation division of the treasury department, the boards governing these two agencies solicited the services of Public Administration Service in developing a proper system of personnel administration for each of them. The result was the establishment of a joint personnel bureau, responsible to a board consisting of the administrators of the two departments and a third person from outside the service, which operates as a central service agency to both units. Classification and compensation plans were prepared, rules and regulations governing all personnel matters formulated, records and other procedures installed, and assistance rendered in initiating competitive recruitment, service rating, and training programs.

A public welfare administration project with some personnel aspects, which is still under way, is that resulting from a recent act of the New York state legislature directing the merger of the temporary emergency relief administration with the state department of social welfare and authorizing the subsequent reorganization of the enlarged department. Public Administration Service has accepted responsibility for devising the new organization plan; assisting in determining the number and character of positions required; drafting position specifications and establishing compensation schedules under the supervision of the state department of civil service; placing in operation the reorganized machinery and prescribing procedures for handling social, financial, and statistical activities of the department; and preparing an operating manual for the governance of the department and of local welfare districts. An interesting feature of the new organization plan as recently approved is the creation within the department of a bureau of personnel and training, which will be responsible for handling the department's contacts with the civil service department concerning both departmental personnel and standards for local welfare district personnel, and for conducting all in-service personnel activities including the promotion and supervision of training programs for state and local welfare employees.

An experiment in personnel administration which appears likely to be completely successful has been carried on in Michigan cities as a coöperative project of the Civil Service Assembly, the Michigan Municipal League, and Public Administration Service. Under the joint program, the assembly has maintained a full time representative in Michigan to advise and consult with cities desiring to improve their personnel practices; Public Administration Service has made demonstration installations of suitable systems of personnel administration in three cities selected for their varying conditions and different legal requirements

—Saginaw, Flint, and Dearborn; and the league has organized a staff of personnel technicians to serve jointly on a cost basis these and other cities desiring the services in the operation of the systems installed. Through the league, cities heretofore considered too small to be able to afford high grade technical examination, classification, service rating,and employee training services will be able to secure them at a cost well within their means.

Another demonstration project of considerable importance has grown out of the all-cost studies of public school operation made by Public Administration Service as a part of the Regents' Inquiry into the Character and Cost of Education, in New York State. The difficulty of obtaining valid cost and appropriation figures in the school districts selected for study indicated the need for simplification and improvement of the accounting systems used by the districts; in consequence, such a system was devised and is being installed in a half-dozen typical school districts.

Other projects of Public Administration Service during the year have been surveys of police, public welfare, and public works departments in Saginaw, Michigan; organization and development of procedures for a new central finance department in Monroe County, New York; a study and recommendations for improvement of the internal organization of the United States Social Security Board; supervision of the installation of a merit personnel system in Henrico County, Virginia; administrative surveys leading to reorganization and improvement of the police and highway departments of Greenwich, Connecticut; design of new methods for the recruitment, training, and management of personnel in the police and fire departments of Winnetka, Illinois; survey of public welfare activities in Springfield, Massachusetts; and an appraisal of personnel administration in the city government (Cincinnati), school district, and county government of Hamilton County, Ohio.

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Department of Planning and Research of the Montreal Metropolitan Commission.—The newest recruit to the ranks of municipal research is the recently created department of planning and research of the Montreal Metropolitan Commission. Appointed November 1, 1936, it is now completing the first six months of its activity.

The department has a two fold responsibility: first, it will be the regional planning authority for the Greater Montreal area; second, it will act as the municipal research division for Montreal and the fourteen suburban towns who together constitute the municipalities in whose interests the Montreal Metropolitan Commission operates.

Incorporated in 1921 by provincial charter, the commission itself is an arm of municipal government in Greater Montreal. Its chief function is to administer several defaulting suburban towns which, instead of being annexed to the parent city, were placed under the tutelage of the then newly created Metropolitan Commission. The commission is composed of the elected mayors of the suburban municipalities, eight aldermen from the city of Montreal, and an appointed representative of the province of Quebec. In principle and practice the commission is a borough government in embryo for metropolitan Montreal. From its inception the commission has proved successful beyond even the hopes of its most enthusiastic protagonists. As a consequence, in succeeding years, new powers and responsibilities have been added to it. Its most recent development is its department of planning and research.

Already the department has given evidence of its importance and usefulness as a fact-finding agency in the Montreal region. During the winter a cross-section survey of 1376 working-class dwellings was undertaken. The thoroughness of the survey, its comprehensive nature and well prepared report has met with wide commendation. An intensive block area survey, looking forward to a slum clearance, low-rent housing project will be proceeded with during the coming summer. Also during the summer months a survey of public recreational facilities will be made. It will embrace an inventory of developed and undeveloped parks, playgrounds, pleasure driveways, beaches, picnic grounds, places of scenic interest, play fields, etc., and will evaluate them in terms of their adequacy and accessibility. Upon the basis of the survey findings a long term program for future development will be prepared.

Further studies on civic personnel, administrative standards, population growth and trends, social characteristics, metropolitan boulevards, traffic, etc., are contemplated for the coming year.

A library of several hundred volumes has been installed. Documentation on every aspect of municipal activity is being gathered together. Members of the research staff are visiting other cities to study their development, particularly research and planning technique. During April, for two weeks, three members of the staff visited the headquarters of the "Chicago group" of national governmental organizations, at 850 East 58th Street, Chicago. Observation trips to low-rent housing projects, demolition areas, the parks system, police administration, engineering departments, airports, etc., were also made. Interviews were held with members of the staff of the University of Chicago and their research studies of metropolitan problems and government in greater Chicago were examined. Additional trips are contemplated to Washington, New York, and other centers of planning and research activity. The department recognizes the value of such observation visits and provision is made for travel for its research technicians as a continuing part of their responsibilities.

In many respects unique, this newest creation of Montreal's Metropolitan Commission will be watched by all those interested in municipal research and planning. The success of its efforts during the next few years may well form the pattern for similar developments in other American, as well as Canadian, metropolitan areas. It marks an important step forward in advancing municipal policy formation from the realm of opinion and political bias to the higher level of policy determination based upon objective and factual research.

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City Club of Portland, Oregon.— Twenty-one years of service to its community in the field of municipal research were completed with the publication of the following reports for the year ending May 1937:

Municipal Improvement District Assessments: a study recommending the repeal of chapter 450, Oregon laws 1935, providing for the creation of special improvement districts for construction of arterial streets.

Columbia Valley Authority: two progress reports on the type and powers of an authority to be established to administer the Bonneville project.

The Acquisition of Council Crest: a study of the desirability of the city of Portland acquiring by trade a tract of land, elevation 1,050 feet, within the city limits, historically and scenically valuable as a public park.

Financial Needs of Doernbecher Hospital for Children: a report on the needs for the biennium of the only children's hospital in the state recommending a specific appropriation to the state legislature.

Wild Life Resources in Oregon: a report recommending the passage of certain legislation to further the conservation of Oregon's wild life resources.

The Development of Front Avenue: a survey of a blighted waterfront area of Portland, recommending creation of a park area and arterial development to assist rehabilitation, to be paid jointly by the city and the state highway commission.

Review of Election Measures: detailed studies of twelve state and city measures on the November 1936 ballot, followed by concise summaries of the reports and the recommendation of the club on each measure.

Reports on the following topics will be printed during the next thirty days: The date and method of electing school directors, the direct primary system in Oregon, real property assessment in Multnomah County, personal property assessment in Oregon, and Portland's public forums.

Other studies currently under way include milk control in Oregon, the control and eradication of syphilis in Oregon, the jury system in Oregon, and traffic control in Portland.

During the year the membership of the City Club rose above 440, highest point since 1931, and at regular weekly luncheon meetings authorities in all fields of government, business, and science addressed the membership. Raymond Leslie Buell, president of the Foreign Policy Association, and Frederick J. Libby, executive secretary of the National Council for the Prevention of War, addressed the annual dinner meeting of the club April 22.

C. Herald Campbell, *Executive Secretary*

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Hawaii Bureau of Governmental Research.—As usual the bureau has been exceptionally busy. The following outline sets forth some of the things that we have been doing or upon which we are now engaged.

(1) At the request of the governor and the territorial legislature, the bureau has completed a study of the best principles of personnel administration and has submitted a report thereon setting forth its findings, together with an abstract of the principal features of the civil service laws of several mainland states and municipalities.

(2) At the request of the governor's advisory committee on public welfare, the bureau prepared a plan, and is now preparing proposed legislation, for the organization and administration of a territorial department of public welfare to supervise and unify the administration of the following public welfare activities: aid to dependent children, old-age assistance, child welfare, aid to the blind, direct relief.

For this committee the bureau also abstracted the old-age benefit and unemployment insurance laws of several states which have enacted such legislation with a view to assisting in the drafting of similar laws for the territory of Hawaii.

(3) For the old-age pension board the bureau developed a plan of operation to meet the requirements of the social security act, and interpreted this plan to the local boards, obtaining their approval and also the approval of the United States Social Security Board.

(4) For the governor's advisory committee on public welfare and the territorial relief and welfare commission the bureau is now engaged in developing fact data relating to unemployment and employment so as to determine what the unemployment problem is in the territory, and what unemployment relief legislation should be recommended to the governor and the territorial legislature.

(5) For the information of the general public, private and public schools, federal and local officials, students of political science, and for library reference, the bureau has completed *Our Territorial Government*—a handbook outlining the functions of the numerous territorial departments, boards and institutions.

(6) For its own information, and possibly for submission to the executive committee of the bureau and to members of the territorial legislature, we have recently completed a comparative analysis of the revenues and operation costs of the Honolulu water works covering the past fourteen years.

(7) At the request of the chairman and members of the board of supervisors of the various counties of the territory, the director and secretary of the bureau are now making an analysis of the operation and revenues of the counties with a view to determining what adjustments should be made in the territorial taxation system to meet the increasing needs of the counties. The findings of the bureau will be submitted to the territorial legislature as a basis for such legislation as it may enact tending to reallocate tax revenues, or to remove from the counties the cost of certain public services that are now carried by them.

O. F. Goddard, *Director*

RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

The Undistributed Profits Tax. By Alfred G. Buehler. New York, McGraw-Hill Book Co., 1937. 281 pp. $2.75.

This book presents a history, description, and economic analysis of the federal undistributed corporation profits tax of 1936. In the first three chapters the author traces the history of earlier proposals to tax undistributed profits, follows the Roosevelt proposal through Congress, describes the tax as passed giving examples of its application, and includes some data on the taxation of undistributed profits in other countries.

The next eight chapters discuss what might be called the "economics" of the tax, neither accounting nor legal aspects being considered. After facts concerning the amounts of undistributed profits are presented, various economic effects are analyzed and the suitability of the tax as a regulatory and as a fiscal measure is examined.

A chapter follows describing other federal taxes imposed on corporation income and profits. A concluding chapter summarizes the contents of the preceding chapters.

Professor Buehler's conclusions as to the effects of the tax are in general unfavorable to its retention. He concludes that its incidence is on the corporation and that it will not—at least directly—cause a rise in prices, that it encourages monopoly by penalizing small competitors and retarding their growth, that it affects adversely the amount of savings available for business more directly than do other profits taxes, that the use of holding companies increases the tax, that the tax will force out more cash dividends, that the tax can be reduced by financing through bond issues, that the tax is defective as an instrument for stabilizing business and is unwarranted as a regulatory measure, that undistributed profits do not measure benefits from government or ability to pay taxes, that the tax adds complications and confusion to the federal tax system, that if retained it should be rewritten to eliminate the more harsh and unequal features, and—perhaps strangely in view of these defects—that if the tax is so rewritten the government is justified in experimenting with it as a revenue although not as a regulatory measure.

With many of the author's conclusions this reviewer agrees, with a few he does not. Two of the latter are that the tax is increased by the use of the holding company and that the tax is reduced by financing through bond issues. The opposites appear to be the facts.

Perhaps too little recognition is given to the fact that the individual surtaxes exert a strong pressure to increase corporate saving and so to avoid individual income taxation, and that in part the tax merely offsets this pressure. Furthermore, the fact that, although the undistributed profits tax has serious defects, the available alternatives are by no means satisfactory, does not receive the emphasis it deserves.

As a piece of writing the historical and descriptive parts of the book are very well done. The analytical parts are marred by poor organization, tiresome repetition, and the inclusion of irrelevant material.

Roy Blough

University of Cincinnati

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American City. A Rank and File History. By Charles R. Walker. New York, Farrar and Rinehart, 1937. 278 pp. $2.50.

This is "a rank and file history" of an

American city—Minneapolis—"which in less than seventy-five years sprang from the frontier, moved into a 'golden age' of economic maturity, and entered its decline." It is not a history of the city's government nor of its great men; it is dedicated, instead, "to the rank and file of empire builders," and most of the story is devoted to the months of May, June, and July, 1934, when the rank and file made their momentous bid for power in the capital of the northwestern "empire." The background of the "few hours of crisis" is briefly and well told: the westward thrust into a rich frontier of wheat, lumber, and iron; the coming of the railroads and the consolidation of power in the hands of a few "king-pins"; the eclipse of the rank and file; the ruthless exploitation during the "golden age"; the beginning of economic decline and the rise of rank and file revolt. The camera of the historian then focuses upon the city in the critical year of 1934.

Mr. Walker is at his best in his sociological analysis of the warring forces and in his graphic narrative of the events turning around the truck drivers' strikes. Citizens Alliance against organized labor, class against class, is made dramatic and clear by the skill with which the author highlights the story of the summer's warfare with penetrating sketches of its leading figures: Strong and Lyman of the Alliance; the Dunne brothers of the truck drivers; Governor Olson, whose role was most difficult and whose recovery from his own blunder reveals his strength and versatility; Johannes, the chief of police.

To the student of municipal government Mr. Walker poses a critical and fundamental question: what should be the role of a city government, particularly of its police force, in such a struggle of forces as warred in the streets of Minneapolis in May and July, 1934? For the most part the problem has been evaded. None of the standard texts in municipal government and administration recognizes even its existence. Wherever it has been discussed, in special treatises and articles, the basic dilemma has been obscured by vague standards of "impartiality," "law and order," "public interest," etc. These terms are usually a cloak for strike-breaking, as Mr. Walker conclusively demonstrates in his analysis of the role of the police under Chief Johannes. Johannes conceived his duty to be to break the truck drivers' strikes, and in both May and July he joined the Citizens Alliance and the Employers Advisory Committee in devising "plants" which resulted in violence, even bloodshed, and which were designed to discredit the strikers and thus break the strike. Police action reached its climax in July when fifty police armed with shotguns fired upon unarmed pickets, sixty-seven being wounded (thirteen were bystanders) and two killed.

The story of the Minneapolis police departs from the typical role of the American city police only in the sequel to this "bloody Friday," for the rank and file of Minneapolis closed ranks with the truck drivers and won despite employers' deputies and the police. The serious and increasing potentialities of the traditional police attitude toward strikes make it imperative that we substitute some reality for the polite fiction of "nonpartisan" city government in a period of economic tension and that we remedy the social and economic myopia of the police.

WALLACE S. SAYRE

New York University

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Public Administration in the United States. By Harvey Walker. New York, Farrar & Rinehart, 1937. 698 pp. $3.50.

Written from what has come to be known as the "functional" approach, this book is a clear and informative discussion of administration in this country as a going concern. It is a pioneer work in the sense that here we have the result of a comprehensive attempt to present from this point of view both the theory and the problems of administration, including for the first time line as well as staff functions. It attempts to do for both what John M. Pfiffner's book, "Public Administration," brought out two years ago, did more completely for staff functions.

Professor Walker begins his book with an attempt to define administration and a defense of the functional approach. It is to his credit that he frankly recognizes the defects as well as the merits of his method and thereby succeeds in clarifying the often ambiguous functional concept. Particularly interesting is his conclusion as to the place of the courts under this dual view of government. After pointing out that in settling ordinary controversies between litigants the courts are engaged in administration pure and simple, he says: "Decisions as to the constitutionality of statutes are distinctly a part of the process of declaring the public will. Court interpretations of ambiguous provisions of law are essential before the law can be made effective and hence such activities of courts are also within the realm of politics"—a statement which has special point in view of the refusal of the old jurisprudence to sully its fingers with political questions and the recent examples of the interaction of public opinion and court opinions.

But this is not primarily a theoretical textbook. It must be confessed that one of the advantages of the new approach is that it facilitates a dynamic treatment of the dry bones of government. Certain topics, too, such as the multiplying intergovernmental relationships, fall more naturally into their proper place in this arrangement. Indeed, the book owes much of its interest to the picture which it presents of the division of responsibility for the major governmental services among various units of government, and the way in which the recently expanded federal responsibilities fit into the traditional scheme of things.

The book is not always orthodox in its judgments. For example, the author states forcibly again his belief that "we have failed to develop controls adequate to justify the erection of the office of governor into that of chief administrator of the state," and that the only good solution is to have state governments organized "along lines similar to those of the city manager plan." Again, he says that the medical examiners who are taking the place of coroners should be appointed by the prosecuting attorney. Many students would disagree on these and similar points. Nor is the book a complete textbook on the problems of administration and the means for its improvement. One could, for example, read Professor Walker's whole discussion of the preservation of records without reading a word about photostat recording. On the other hand, the author's treatment of the relations between government and business and of the government in business, though not always orthodox, is well reasoned and thought-provoking. Altogether this is a stimulating conspectus of government from a new vantage point and will repay careful study.

L. R. Chubb

*

Source Book on European Governments. By William E. Rappard, Walter R. Sharp, Herbert W. Schneider, James K. Pollock, and Samuel N. Harper. New York, D. Van Nostrand Company, Inc., 1937. 198 pp. $3.50.

Five editors present documents of historic import on the governments of democratic Switzerland and France, Fascist Italy, Nazi Germany, and the Soviet Union. The sections vary in content according to the judgment of each editor as to what material would best lead to an understanding of the principles and operation of each of the governments. In addition to constitutional, statutory, and administrative documents, material illustrates party programs, party organization, the conduct of policy, and the political ideas of outstanding leaders in each of the countries.

Dr. Pollock has included in his section on Germany a complete translation of the new German municipal code. Many interested in local government will be glad to have access to this in English. The selections in the section on Germany represent the most important official actions taken by the Hitler government in setting up and solidifying the structure of the Nazi state. The program of the party and speeches of Hitler indicate the lines of National Socialist development and illuminate the ideas of the leader of the movement.

The Italian section includes the basic Fascist laws, the constitution of the National Fascist party, a collective labor contract, and several decisions of the labor courts. Three addresses made by Mussolini give his interpretation of the history leading up to Fascism, his theory of economics, and its relation to the state and the basic features of corporatism.

In the material on the Swiss government are the state constitution of the canton of Berne and the present programs of the three principal Swiss political parties. The French extracts contain articles illustrating party setup and activity, legislative and administrative processes, the conduct of foreign policy, and the struggle to maintain democratic liberties. There is an especially interesting description of French courts and judges.

The program of the Communist party of the Soviet Union adopted at the beginning of the revolution and the three constitutions ratified by the Congress of Soviets since 1925 are given in their entirety.

There is no interpretation of material; the only editing has been through the selection of material and in this it is evident that the editors have made extraordinary efforts to resist any influence of their personal reactions to governmental policies.

*

A Foreigner Looks at the TVA. By Odette Keun. New York, Longmans, Green and Co., 1937. 89 pp. $1.25.

Through the eyes of a well known French writer we obtain a new perspective of what we think of too frequently in limited terms of power development. Madame Keun sees the TVA "an effort to adjust capitalism to the present realities and actual trends of thought," a regional pattern which can lead to a national purpose and a national objective.

The book is written in the first person, singular—the personal reactions of Madame Keun as she spent a summer in the Tennessee Valley. It is the account of a good reporter, plus editorial comments that are not in the least sparing of Americans' pride. Her comments on the greed of pioneers who laid waste to America's tremendous resources are excoriating and she has little more regard for those who did nothing to repair the "insensate ravaging" of their forerunners, which far from being prevented by the government was assisted by it. She has found in the United States poverty equal to that in China, peonage as in Egypt, racial prejudice comparable to that in Nazi Germany.

After a description of the origins of the TVA the author writes of water control projects, industries, agriculture, forestry, and social developments. In the TVA, she concludes, is the best attempt made in any democratic country to "economize, marshal, and integrate the actual assets of a region, plan its development and future, ameliorate its standards of living, establish it in a more enduring security, and render available to the people the benefits of the wealth of their district, and the results of science, discovery, invention, and disinterested forethought." It is the way of liberalism to remedy wrongs that if not righted lead inevitably to dictatorship and loss of freedom.

*

California State Government. An outline of Its Administrative Organization from 1850 to 1936. By Elsey Hurt. Berkeley, University of California, Bureau of Public Administration, 1937. 252 pp. 75 cents. (Apply to State Supervisor of Documents, Sacramento.)

This study presents in outline form the development and present organization of the departments of agriculture, education, finance, industrial relations, institutions, investment, military and veterans' affairs, motor vehicles, natural resources, penology, professional and vocational standards, public health, public works, and social welfare. There is an organization chart for each department.

*

The Supreme Court Issue and the Constitution. Edited by William H. Barnes and A. W. Littlefield. New York, Barnes & Noble, 1937. 149 pp. Cloth, $1.00; paper, 75 cents.

For civic study, forum, and classroom discussion groups this compilation of statements regarding the President's plan for reorganizing the supreme court will be a time saver and valuable aid. The comments made by citizens prominent in public affairs and professional and business life are both for and against the proposal.

The introduction includes an outline of the origin and development of the constitution and biographical sketches of the supreme court justices. A few outstanding editorial comments, a digest of cases involving federal legislation declared unconstitutional by the supreme court, and the complete text of the constitution are other items of value for ready reference. The bibliography shows evidence of hasty preparation.

NATIONAL MUNICIPAL REVIEW

JUNE + 1937

Binghamton and the Manager Plan
• • • EDITORIAL

Two Decades of State Borrowing
• • • EDNA TRULL

Federal Regulation of Local Debt
• • • WYLIE KILPATRICK

Financial and Accounting Standards
• • • CARL H. CHATTERS

Municipal Bond Defaults
• • • SANDERS SHANKS, JR.

The Bonded Debt of 272 Cities
• • • ROSINA MOHAUPT

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National Municipal League

THE LEAGUE'S BUSINESS

Committee on Model Charter.—The following committee has just been appointed by President Dodds to revise the model city charter: Richard S. Childs, *Chairman,* John Bauer, Alfred Bettman, Louis Brownlow, A. E. Buck, Edwin A. Cottrell, Clarence A. Dykstra, L. Arnold Frye, John N. Edy, John A. Fairlie, Mayo Fesler, Luther Gulick, Joseph P. Harris, A. R. Hatton, Mrs. Siegel W. Judd, Mrs. Virgil Loeb, Joseph D. McGoldrick, Charles E. Merriam, William B. Munro, Thomas H. Reed, Clarence E. Ridley, Harold D. Smith, John F. Sly, Lent D. Upson, Morton Wallerstein, and Leonard D. White. The committee's first meeting was held June 4th to 6th in consultation with public officials and experts in the various functional fields in order to bring the charter completely up to date and take advantage of all the lessons of the depression.

* * *

Proposed Committee on Improved Fiscal Procedure.—The depression has so emphasized the necessity for coördination of accounting and budgeting procedure with controls over borrowing and related fiscal problems, that the officers of the League feel the time has come for a consideration of the entire problem of fiscal relations. To this end the League plans to organize a committee on improved fiscal procedure which will work out a program to cover the four essential functions of any public finance procedure concerned with spending money raised by a tax on real property, i.e., assessment of property, collection of taxes, custody of funds, and control over expenditures.

It is proposed that the committee operate under the direction of a paid secretariat for a period of three years, the first year to be taken up with design and draftsmanship, the next two with promotional and consultative work in an effort to secure the adoption of the program by as many states as possible. Funds for the support of the committee's work are now being sought.

The tentative membership of this committee includes the following persons: L. Arnold Frye, *Chairman;* Lewis P. Mansfield and William Bennett Munro of California; Louis Brownlow, Carl H. Chatters, Henry Cutler, Clifford W. Ham, and Clarence E. Ridley of Illinois; Morris B. Lambie, Henry F. Long, and Henry L. Shattuck of Massachusetts; Harold D. Smith and Lent D. Upson of Michigan; Walter R. Darby, Edward D. Duffield, Raymond Greer, John R. Hardin, J. H. Thayer Martin, and John F. Sly of New Jersey; Philip Benson, Frederick L. Bird, Harry H. Bottome, A. E. Buck, William P. Capes, E. Fleetwood Dunstan, Frederick W. Ecker, Mark Graves, George Hannahs, John S. Linen, Seabury C. Mastick, Joseph D. McGoldrick, John A. Milholland, Frank C. Moore, Frank Morse, Mabel Newcomer, Thomas I. Parkinson, Carl Pforzheimer, Sr., Sanders Shanks, Jr., C. W. Tooke, Morris Tremaine, and David M. Wood of New York; Gordon Reis and Earl E. Hagerman of Ohio; John H. Fertig and W. Carleton Harris of Pennsylvania; Robert M. Goodrich of Rhode Island; and G. A. Lascelles of Ontario, Canada.

* * *

The League's Conference on Government.—Plans are going forward for the League's forty-third annual conference on government to be held at the Seneca Hotel in Rochester, New York, on November 18th, 19th, and 20th. Members of the League and others interested in the cause of good government are urged to hold these dates available for the meetings.

Mr. Marion B. Folsom has consented to act as chairman of the local committee on arrangements. Mr. Folsom is treasurer of the Eastman Kodak Company, a trustee of the Rochester Bureau of Municipal Research, and a member of the President's advisory committee on social security. Harold B. Sanford, managing editor of the *Rochester Democrat Chronicle,* is vice-chairman, and W. Earl Weller, director of the Rochester Bureau of Municipal Research, secretary of the local committee, the personnel of which will be announced shortly.

Howard P. Jones, *Secretary*

Editorial
Comment
❖
June, 1937

NATIONAL
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Why Binghamton Abandoned the Manager Plan

The abandonment of the city manager plan at Binghamton, New York, on April 20th is an occasion for deep concern by friends of honest, clean, and efficient government. It raises immediately the question as to why a city of some 81,000 people should revert to the old council-mayor form of government. It was as recently as January 1, 1932, that an aroused citizenry of Binghamton, harassed by mounting government costs and inefficiency in municipal operation, voted to give the manager plan a trial.

In the five years of its existence in Binghamton, the council-manager plan gave tangible evidence of its worth—of its superiority over the old system.

At the conclusion of the first year of its administration, total expenditures for municipal operations were nearly $303,000 less than the budget appropriation which was based on previous costs under the old plan. The tax rate was reduced $1.10 per $1,000 assessed valuation the following year.

The amount raised by taxation for the year 1937 is approximately $200,000 less than the amount raised by taxation the year before the council-manager plan was adopted. The tax rate for the year 1937, however, due to the floods of '35 and '36, was higher than the rate for 1936. Assessed valuations were lower than those under the council-mayor government. They were completely revised downward in 1933.

There are further tangible evidences of efficient government which stand to the credit of the operation of the manager plan in Binghamton. Unnecessary positions were eliminated and the personnel reduced. The duties of commissioner of public works, commissioner of public safety, water commissioner, and various superintendents were assumed by the city manager and city engineer. A purchasing department was established. The setting up of a finance division interrelated and coördinated assessments, collections, purchases, disbursements, and accounting.

During a four-year period, from 1932 to the end of 1935, the city of Binghamton paid off $2,487,313.07 of bonded indebtedness. In 1935 a serious flood and growing relief costs (due to the federal government's turning over to local municipalities the direct relief problem) made it necessary for the city to borrow. These two major items and several smaller improvements increased the debt $1,740,406.82. Another flood in 1936 and a continuation of the welfare problem compelled the city to borrow an additional $1,633,000. Nevertheless, the bonded debt at the close of 1937 will be well below the bonded debt of the city when the manager plan was adopted. The enviable financial position of Binghamton is revealed by the low rate of interest on bond issues. They varied during the city manager's regime from 4.5 per cent to 1.4 per cent with a weighted average of 2.84 per cent.

What then actually caused the abandonment of the manager plan in the April elections?

There are a number of reasons, but chief among them was the relaxing of energy on the part of some of those who campaigned so successfully for the adoption of the plan. A distinct feeling among the business, professional, and better element in town held that there was no real cause for worry. They were rightly satisfied that the manager government had done a good job, but they underestimated the tenacity of special interests that actively and continually fought for reversion to the old council-mayor form of government. This unawareness by most of the people of Binghamton of the carefully developed strength of the opposition accounts largely for the fact that only about 38 per cent of the registered voters went to the polls.

There is also the factor of an increased tax rate this year due to the floods. This fact, in combination with the peculiar mental reaction of many people living along the river banks that somehow or other the city should have prevented the floods, has wiped out the memory of earlier benefits under the manager plan.

Throughout this whole period, therefore, the opposition played upon every prejudice and move of the city government which in any way could be used to support their position. This constant plugging away, coupled with the disintegration of the charter group and the slowness in getting the campaign under way to defend the manager plan, gave the opposition its chance. When able City Manager C. A. Harrell left Binghamton to become city manager of Schenectady, the opposition seized upon this move to return to power. A referendum was held and the council-manager plan abandoned.

The conclusion is evident. Binghamton profited by the city manager plan. In numerous ways the administration of its government was superior to the old system. Yet today, Binghamton is exhibit A of what may happen if the civic-minded elements of the population fail to develop the machinery or technique to resist the ever present threat of a real political assault. Good, honest, and efficient government, once obtained, is worth fighting for. Complacent satisfaction with sound administration does not remove or eliminate the menace of dispossessed selfish interest. Only an alert, continuously active citizenry can prevent the old order from unjustly discrediting the manager plan.

J. B.

Two Decades of State Borrowing

Highway programs and emergency demands force marked increase in debt totals of state governments

EDNA TRULL *Municipal Service Department, Dun & Bradstreet, Inc.*

It is not unusual for state debt to be regarded as an insignificant part of the total state and local bonds outstanding. True, when comparison is made with local borrowings, the debts of most of the states sink to a position of secondary magnitude. In 1932, when the latest tabulation of all state and local debt obligations was made for the decennial report of the Bureau of the Census, state debt accounted for only 13.5 per cent of the total.

Casual minimizing of the state debt, however, would seem to overlook the fact that, in the ten-year period prior to 1932, the states had increased their borrowings at a rate more rapid than any of the other classifications used by the Census Bureau—counties; cities, villages, etc.; townships; and miscellaneous civil divisions. From 1912 to 1932, covering a period of two complete decennial surveys, the Census Bureau reported a 586 per cent increase for state net debt, only school districts showing a larger percentage increase.

The rising trend which was so conspicuous in the period preceding the depression has continued up to the present time. While there have been no reports on state debt issued by the Bureau of the Census since 1932, the figures compiled by Dun and Bradstreet for 1936 indicate a 21 per cent increase from 1931 in state debt. Such data as are available indicate that the increase in local debt was about one-third as rapid during this period. Certainly it would seem that the states, because of the rapid growth in their debt and the probable continuance of this trend, warrant more than light dismissal in their capacity as debtors.

The dominating factor in the spectacular increase in state debt has been borrowing for highways. Close to one-half the state debt outstanding has been incurred directly for highway purposes. From the negligible beginning at 0.2 per cent of the outstanding state debt in 1894, highway obligations rose to be 1.6 per cent of the total ten years later, 12.7 per cent in 1913, 37.1 per cent in 1923, and 49.6 per cent in 1931.

Of the total state debt outstanding in 1931, when the Census Bureau last classified it according to purposes, 56.5 per cent was for highways including special bridge, grade crossing elimination, etc. The second most important purpose, accounting for only 11.6 per cent of the total, was public service enterprises. This included particularly the aid to farmers carried out through the rural credit projects of South Dakota, Minnesota, and North Dakota, and the harbor development of California and bridge and tunnel work in New Jersey. The third largest classification was veterans' aid debt, in the form of direct bonus in a number of states, of pensions in the Confederate states, and of the extension of credit facilities in California, Oregon, and North Carolina. Direct governmental purposes, such as public buildings, hospitals and correctional institutions, schools and colleges, and parks accounted for only 8.4 per cent of the state debt outstanding in 1931. Funding and refunding comprised 2.5 per cent of the total and miscellaneous combined and unreported purposes made up the balance.

During the critical years of the depression highway debt continued to increase, but at a decelerated rate, and its volume was overshadowed by the wave of other types of state borrowing induced by emergency demands. Unemployment relief bonds of roughly $400,000,000 were issued. Nearly half this was accounted for by New York State, $50,000,000 by Illinois, $44,000,000 by California, $35,000,000 by New Jersey, $25,000,000 by Pennsylvania, $20,000,000 by Texas, and lesser amounts by several states. A few other states substantially increased or initiated special public works projects for the purpose of alleviating unemployment, but on the whole heavy borrowing for direct or indirect relief purposes was limited to a rather small group of states.

Veterans received a special share of the funds borrowed during the past five years. The $50,000,000 bonus bond issue of Pennsylvania is particularly noteworthy, while the veterans' aid projects of California and Oregon were responsible for about $80,000,000 new debt between 1931 and 1936.

Another important item in the state debt history during the depression was the funding of operating deficits. The total funded, to be sure—approximately $75,000,000—does not represent the extent to which budgets were unbalanced during the depression period. For the most part they represented years of recurring deficiencies resulting in the accumulation of short term debt. The refusal or unwillingness of creditors to grant extensions necessitated funding for the maintenance of credit. The southern states were most active in this field, but it should be said to their advantage that in several cases, at least, the funding of operating debt was the first step in what became a genuine rehabilitation of financial position.

BORROWING FOR EMERGENCIES

It is clear from this brief sketch of the purposes for which the debt outstanding in 1931 had been issued and the major borrowing which has been done since 1931 that the bulk of the debt now outstanding cannot be attributed to the normal functions of government. Rather it has been caused, first, by the desire to provide quickly for the building of a modern highway system to supply a complement to the revolutionary changes in transportation; second, by the doles to veterans, aid to farmers and unemployed, and deficit funding. Broad projects in state planning, either for conservation or public construction, have not been major factors in the increase in state debt.

In the total of $3,080,795,974 of gross direct debt outstanding against the states in the latter half of 1936, all but four of them are represented. The distribution of the total among the remaining forty-four, needless to say, bears but little relation to size and wealth and none at all to capacity to pay—a fact emphasized by consideration of net debt reduced to a per capita basis for comparative purposes. Net debt as used here, it may be pointed out, is gross debt less self-sustaining or non-tax-supported debt and less sinking funds for tax-supported debt. The figures for gross, net, and per capita debt, compiled by Dun and Bradstreet, are shown in the accompanying table.

STATE DEBT AND STATE HIGHWAY DEBT, 1936[1]

State	Total State Debt Gross Debt	Total State Debt Net Debt	Net Debt Per Capita	State Highway Debt Gross Debt	State Highway Debt Net Debt	Net Debt Per Capita
Alabama	$ 73,055,000	$ 73,055,000	$25.78	$37,975,000	$37,975,000	$13.39
Arizona	1,390,275	1,390,275	3.19	none	none	0
Arkansas	164,638,416	164,638,416	82.36	140,003,453	140,003,453	70.04
California	237,347,122	110,779,368	17.42	48,750,000	48,750,000	7.66
Colorado	29,415,700	29,415,700	27.70	27,710,000	27,710,000	26.09
Connecticut	none	none	0	none	none	0
Delaware	3,357,000	3,300,000	12.89	2,840,000	2,840,000	11.09
Florida	none	none	0	none	none	0
Georgia	6,094,000	6,094,000	2.03	none	none	0
Idaho	2,220,500	1,891,395	3.95	752,000	752,000	1.57
Illinois	211,155,414	210,455,414	26.92	133,554,000	133,554,000	17.08
Indiana	1,015,000	1,015,000	.30	none	none	0
Iowa	7,700,000	7,700,000	3.04	none	none	0
Kansas	21,685,000	21,627,600	11.70	3,435,000	3,377,600	1.83
Kentucky	32,513,420	21,214,977	7.45	none	none	0
Louisiana	146,867,480	108,978,480	51.40	85,912,000	85,912,000	40.52
Maine	31,780,500	27,870,705	32.98	25,076,500	25,076,500	29.68
Maryland	50,142,000	48,272,000	28.92	15,534,000	15,164,000	9.08
Massachusetts	42,025,071	33,784,135	7.77	200,000	200,000	.05
Michigan	75,669,000	27,722,877	5.44	48,419,000	19,216,337	3.77
Minnesota	114,970,760	112,496.760	42.82	33,150,000	33,150,000	12.62
Mississippi	48,523,000	45,798,988	22.79	10,600,000	9,491,988	4.72
Missouri	122,714,839	122,714,839	31.36	109,990,000	109,990,000	28.11
Montana	11,477,177	10,961,243	20.64	3,000,000	2,933,031	5.52
Nebraska	none	none	0	none	none	0
Nevada	933,000	933,000	9.42	275,000	275,000	2.78
New Hampshire	14,493,000	12,521,525	24.94	8,385,000	7,741,040	15.42
New Jersey	183,365,000	103,597,384	24.16	99,090,000	62,986,334	14.69
New Mexico	12,537,147	12,261,763	28.96	10,670,000	10,670,000	25.20
New York	634,897,000	499,580,870	38.76	94,000,000	47,863,902	3.71
North Carolina	163,894,000	140,528,475	41.13	91,271,000	91,271,000	26.71
North Dakota	31,458,000	22,752,863	32.50	none	none	0
Ohio	none	none	0	none	none	0
Oklahoma	20,098,000	14,447,270	5.76	none	none	0
Oregon	49,108,910	31,454,660	31.20	23,441,750	23,441,750	23.25
Pennsylvania	148,142,000	128,407,835	12.76	78,142,000	60,581,097	6.02
Rhode Island	29,924,000	23,934,021	35.16	1,107,000	275,871	.41
South Carolina	41,354,339	40,781,330	20.27	32,974,000	32,974,000	16.38
South Dakota	48,269,000	37,291,035	55.24	none	none	0
Tennessee	97,400,000	83,301,924	28.68	47,200,000	44,812,763	15.43
Texas	21,877,250	19,809,500	3.26	none	none	0
Utah	10,573,000	4,489,884	8.72	7,000,000	1,279,816	2.48
Vermont	8,400,032	8,400,032	22.28	none	none	0
Virginia	23,015,851	18,537,878	7.03	5,428,000	3,984,575	1.51
Washington	14,900,271	13,865,286	8.49	none	none	0
West Virginia	85,830,800	81,783,684	45.03	79,450,000	74,556,256	41.05
Wisconsin	1,183,700	1,183,700	.41	none	none	0
Wyoming	3,385,000	3,385,000	14.59	3,385,000	3,385,000	14.59
Total	$3,080,795,974	$2,494,426,091		$1,309,719,703	$1,162,194,313	

[1] Debt statistics are as of varying dates in the latter half of 1936. Net debt figures under "Total State Debt" are gross debts less the self-supporting debts of revenue producing enterprises and less sinking funds for other. Net highway debt is gross less sinking funds. Direct debt only is included.

In the distribution of the three billion dollars, one state, New York, is responsible for a fifth of the total. More than another fifth is chargeable to California, Illinois, and New Jersey. This is not a greatly disproportionate situation, however, for these four states have one-fourth of the nation's population and more than that share of its wealth. Among the states with no or negligible debts, however—Connecticut, Ohio, Florida, Nebraska, Indiana, and Wisconsin—there are also populous states with ability to support extensive debts if necessary.

PER CAPITA COMPARISONS

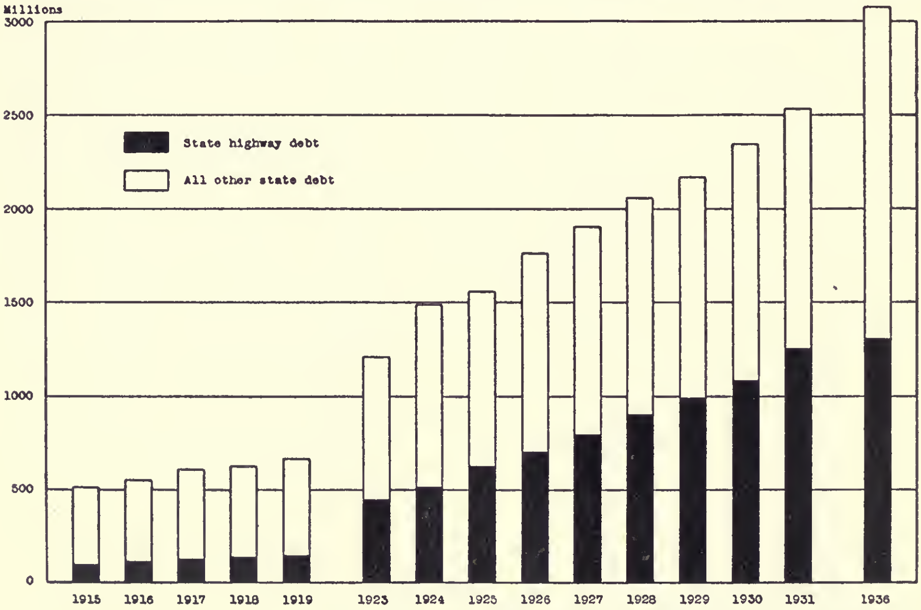
When the debts of the states are placed on a per capita basis the actual unevenness in distribution becomes more clearly apparent. The New York debt, at $38.76 per capita, is still above the average; but it is less than half the $82.36 which is the responsibility of the most heavily indebted state. This genuinely heavy obligation, moreover, is the obligation of Arkansas, a state which is well below average in wealth and which was forced to default on its debt in the depression.

The median per capita debt of the forty-eight states is $18.85, but several deviate very markedly upward from this conservative level. The nearest rivals to Arkansas' unfortunate position are South Dakota and Louisiana, with $55.24 and $51.40 respectively, while three other states—West Virginia, Minnesota, and North Carolina—also had per capita debts of over $40 in 1936. None of this group of states may be classed high as to wealth.

On the more favorable end of the list, there are nineteen states with direct debts non-existent or falling below $10 per capita. All of these nineteen, indeed, have debts less than half the median for the states.

The fact that a state lists no or low

TREND IN STATE DEBT AND STATE HIGHWAY DEBT



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STATE DEBT AND STATE HIGHWAY DEBT PER CAPITA, 1936

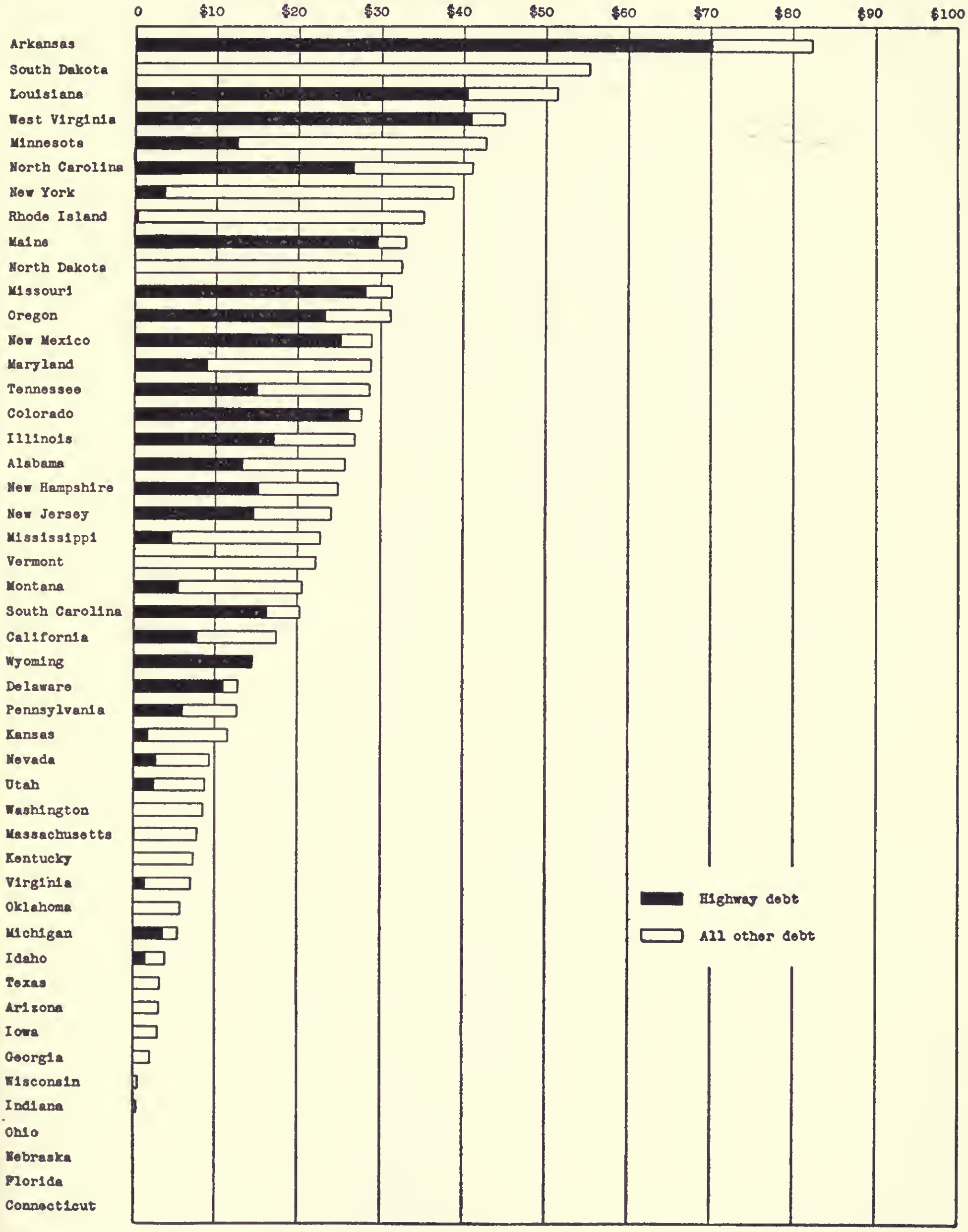

Chart based on Table VII of "Borrowing for Highways" by Edna Trull
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direct debt, does not mean that it is not paying debt charges on a sizeable obligation. A number of the states have undertaken to service, in varying degrees, bonds issued by local units. Of the states listed as having no direct debt, for instance, Ohio is servicing certain county relief bonds from sales and utility tax receipts, Florida is servicing county highway bonds from gasoline tax receipts, Wisconsin is paying principal on certain county highway bonds from highway revenues, and Connecticut is servicing certain locally issued highway obligations. Similarly, some of the states with low debts are actually paying much heavier annual charges than the low direct debt would suggest. Iowa is an outstanding example, since it pays annually in debt service on county road bonds an amount greater than its total direct debt outstanding. Texas services a large amount of local highway debt. Other states less well equipped, because of their own heavy direct obligations, are also assisting their local subdivisions with debt service—notably South Carolina, Tennessee, and Minnesota.

BORROWING FOR HIGHWAYS

Highway debt is particularly significant in the total for several reasons. First, obviously, is the fact that it is the largest single item in the total. Second is the wide distribution of highway borrowing among the states. Third is a combination of various aspects related to the special means frequently used to service highway debt. Finally, the indicated continuation of large scale highway borrowing makes a study of present status of special pertinence.

More striking even than the importance of highway debt to the total described above and illustrated by the chart showing trend, is the extent to which highway debt dominates the obligations of individual states. Highway borrowing is responsible for percentages of total net debt ranging from less than 1 per cent in Massachusetts to 94.2 per cent for Colorado and 100 per cent for Wyoming. This point is graphically illustrated in the chart showing per capita debt and highway debt by states. With the exception of South Dakota, all of the most heavily indebted states, on a per capita basis, have incurred most of their burden for roads. Of the thirty-two states with direct highway debt, this item represents more than half the total net debt in eighteen; while in only five is highway debt less than one-quarter of the total.

The direct highway debt amounts to $1,307,469,703 and the states service, in addition, about $310,000,000 of local road debt. The direct net debts of the thirty-two states range from $200,000 for Massachusetts—the sole remainder of a once large total—to $140,003,453 for Arkansas. The per capita range is illustrated by the same two states: five cents for Massachusetts to $70.04 for Arkansas. Outstanding among the other states are Louisiana and West Virginia with debts between $40 and $50 per capita. The rest all fall below $30 per capita.

It is quite evident, from the trend of the past two decades, that the states are approaching a position of considerable importance in the field of public debt. It is equally apparent that there is a complete lack of uniformity in their borrowing policies which renders generalization a rather unprofitable undertaking. The point may be stressed, however, that the more heavily indebted states have reached a stage at which further borrowing must be with forethought to its relation to budgets and to resources for payment.

Federal Regulation of Local Debt

A national program for economic stabilization must be made adequate or proposals for direct credit assistance to municipalities will recur and be pressed vigorously in future depressions.

WYLIE KILPATRICK *Washington, D. C.*

In the closing days of Congress in March 1933, the local debt crisis reached a fever pitch of agitated discussion. With the closure of banks forecasting the impending bank holiday, local governments were feared to be on the verge of collapse. Rapidly accumulating defaults of funded debt were accentuated by the inability of not a few of the better rated cities to obtain temporary loans for operating purposes. Congress seriously considered a municipal debt moratorium. The extension of federal credit on temporary collateral, as well as for wholesale refinancing of debt, was thought inescapable. The wheels of local government were slowing down to a threatened stoppage that seemed to require a pulmotor similar to relief of private credit by the RFC, the HOLC and the FCA.

The wheels did not stop, nor was national assistance to municipal credit analogous to aid to private credit. The recovery of local credit in succeeding years was evidenced by the cure of many defaults and by the reduction in bond coupon rates. By October 31, 1936, all but ten of the defaulting cities above 25,000 population had resumed payment of obligations. Of the 104 defaulting cities, counties, or districts of this population class, the defaults were cured in seventy-nine units. Expressed in terms of the number of units, the cured units represented 76 per cent of the total; stated in terms of population, the cured units were 82.7 per cent; and measured in terms of gross debt, the cured units were 96.3 per cent of the original defaulters. Similarly, municipal coupon rates were lowered from 4.72 per cent in 1929 to 3.29 per cent in 1935. The remarkable reduction in coupon rates is best shown by contrasting the 78.4 per cent of bonds issued in 1929 bearing 4½ per cent interest with the 13.5 per cent issued in 1935 bearing the same interest rate.

That municipal credit recovered without federal loans for temporary operating purposes may be the result of good luck combined with the deflation of the exaggerated need for short term credit. After the first panicky fear that local institutions were crumbling, mature study disclosed that the need for temporary borrowing varied widely over the country. Instead of being a nationwide need for all local units, temporary loans were found not to be required in large amounts by the majority of localities. That temporary paper for the first time exceeded a billion dollars for the annual operations of 1932, 1933, and 1935 was due to the large loans of a dozen metropolitan cities and to heavy local borrowings in a relatively few states. In many communities temporary borrowings either were eliminated or minimized by the use of reserves or by the articulation of the budget and tax calendar to obviate excessive tax anticipatory loans.

The validity of the need for temporary credit could not be contested in cities where borrowings were forced on officers by the fiscal structure or by the accumulation of tax delinquency in municipalities with excellent credit ratings. Yet an excessive proportion of back taxes (and accordingly of temporary loans) rested on vacant lots and undeveloped property. If collection of delinquent taxes and repayment of federal loans from collateral so shaky would prove difficult, the national government would virtually be entering the business of real estate brokerage and specializing in the poorer undeveloped property.

INDIRECT AID FURNISHED

The municipalities were aided but aided indirectly. Instead of direct loans, the federal government furnished credit to banking institutions that enhanced their ability and willingness to float short term loans. The RFC loans in excess of six billion dollars to banks and financial institutions permitted the resumption of local borrowing temporarily suspended in many cases. Private urban indebtedness, retarding tax collection, was refinanced by the HOLC underwriting three billions of mortgage debt. Tax delinquencies of $225,000,000 were paid on 74 per cent of these loans by April 30, 1936. Sizeable as was this sum, direct aid again was not of paramount importance. By state totals federal payments of delinquencies ranged from $104,000 in Nevada to $30,200,000 in New York. Any exaggeration of the importance of delinquent payment is prevented by realizing that only in eleven states did the payments exceed $5,000,000. In fourteen states the payments were less than $1,000,000 in each jurisdiction.

Helpful as were the tax payments to individual units, the distribution of national funds to private enterprise was the stimulus to economic recovery forming the first major device for municipal recovery. Private loans closed and insured or grants extended were $11,191,000,000 from March 4, 1933, to June 30, 1936, or an annual average of three and three-quarter billion dollars.[1] Equally important to local credit and a more specific aid to local budgets was the federal relief and public works policy to be discussed in the next issue of this magazine. The municipal bond market, viewed solely as an index to bond prices, reflects the moderate offerings of municipals and the preference by purchasers for local issues over industrial issues as well as the basic stabilization of municipal credit.

The success of the federal policy of indirect credit assistance was in a period when returning private prosperity sustained municipal credit. During the downswing, instead of the upswing of the business cycle, indirect assistance may not prove promptly effective. The banking contraction of short term credit during the recent decline was replete with deflation of local services, the issuance of scrip, and inability to float public works loans. Can not these symptoms of disordered finance recur in future depressions? National programs for economic stabilization must prove promptly adequate or proposals for direct credit assistance will recur and be pressed vigorously.

The exceptions to the federal refusal to refinance bonded debt or temporary notes proved the rule. One exception was the authority to grant loans to public school officials for payment of teachers' salaries. Applicable for only a limited period, the authority was invoked for one loan of $22,300,000 to the Chicago school district, which loan was in mind when the law was passed. One year after Congress, in 1935, authorized the refinancing of school debt, only fourteen loans for Arkansas districts and five loans for Texas districts had been authorized. That loans of only $1,479,000 had been approved, out of the allowed $10,000,000, demonstrates that national credit to refinance heavy debt was needed in 1935 and 1936 by merely an insignificant number of school districts. Obviously the federal government is devoid of a refinancing function where refunding bonds can be sold privately on terms as advantageous as federal purchases. Federal recovery measures inducing municipal credit recovery operate to eliminate the federal refinancing function.

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[1] These figures represent the total operations during the cited period of the Reconstruction Finance Corporation, Farm Credit Administration, Commodity Credit Corporation, Resettlement Administration, Home Owners Loan Corporation, Agricultural Adjustment Administration, and the Federal Housing Administration. All but a relatively very small part of the loans were to private not public bodies.

REFINANCING DEBT LOADS

No recovery, however successful, ever operates so evenly as to induce uniform recovery of public credit. Stagnant or overfinanced areas, side eddies to the main credit movement, are left to require direct and specific credit assistance. Not impossibly the unusual areas constitute the key to formulating a usual federal credit function by marking out the abnormal cases for refinancing and debt composition agreements. As an experimental record, the RFC refinancing of agricultural districts (drainage, levee, irrigation, and similar districts) invites examination as a precedent applicable to other unusual cases, if not to the entire local field. Paradoxically, this innovation had its origin in farm relief, not in local government, for not until the measure was incorporated into the 1933 farm mortgage act was refinancing sanctioned.

By August 14, 1936, applications had been received for refinancing 751 districts with outstanding debts of $329,000,000; and a total of 529 applications were approved for refinancing $260,000,000 of debt for which the RFC had authorized refunding loans of $121,000,000, together with $5,000,000 for rehabilitation. A picture of operations is revealed best by breaking down the total loans according to types of local organization and farming:

1. *Irrigation districts.* Applications from 246 irrigation districts asked for the refunding of $103,000,000 of $174,200,000 debt. The RFC approved 177 applications (72 per cent) for refunding loans of $68,400,000. Expenditures of $40,700,000 had been made to 120 districts. Irrigation districts applied for $11,400,000 of rehabilitation loans, receiving $2,600,000.

2. *Mutual districts.* Forty-five districts applied for $20,500,000 of refinancing loans, and the RFC sanctioned $12,300,000 loans to twenty-eight districts. To eight districts had been disbursed $1,300,000. The applications for repair and improvement loans were $4,500,000 in contrast to approvals of $1,800,000.

3. *Drainage districts.* With an outstanding debt of $138,100,000, 460 drainage districts applied for refunding loans of $67,300,000. To 324 districts loans of $97,700,000 were approved, disbursements to 177 districts being $18,600,000. Only $699,132 of rehabilitation loans were authorized out of the requested $1,700,000.

The total loans authorized may be compared, according to classes, with the number of districts and their assessed acreage. Thus the 177 irrigation districts were authorized total loans of $70,000,000 on an acreage of 3,495,553. The authorization of $14,100,000 to twenty-eight mutual companies was for an acreage of 488,610. In contrast, the number and acreage of the drainage districts were the largest, but the relatively small loans were spread on a much larger acreage. The total authorization of $36,900,000 to 324 drainage districts was for an acreage of 9,028,371.

Annual charges to be distributed as taxes by these districts were revised by the reduction of principal, reduction of

EFFECT OF REFINANCING SPECIAL DISTRICT DEBT

Type of Borrower	Number districts	Average debt per acre		Cultivated acres		Ratios of refinancing	
		To be refunded	Loan as authorized	Number	Annual carrying charges	On principal	On principal and interest
Irrigation districts	177	$41.97	$20.31	2,127,314	$6.25	45.43%	40.97%
Mutual companies	28	33.29	28.87	449,173	5.93	76.69	75.27
Drainage districts	324	10.83	4.08	4,589,435	1.85	42.42	36.58
Total	529	$20.04	$ 9.37	7,165,922	$3.49	49.93	44.53

interest, and the extension of maturities. Accordingly, the old debt load of irrigation districts, $41.97 per acre, was refinanced at 40.9 cents on the dollar to reduce the per acre load to $20.31. The worse condition of the drainage districts, containing land much less valuable than the irrigation districts, resulted in converting the old debt load per acre from $10.83 to $4.08 by refinancing at 36.5 cents on the dollar. The fewer mutual companies with a debt load of $33.29 per acre required the least debt reduction through refinancing of 75.2 cents on the dollar to an adjusted debt of $28.87 per acre. The net result was to scale the annual cost of the carrying charges according to capacity to pay. The most productive land, the irrigation districts, pays yearly charges of $6.52 per acre; the mutual company land pays $5.93 per acre; and the markedly less valuable land of the drainage districts pays $1.85 annual carrying charges per acre.

The RFC record is unique in combining three features, none of which is often used, into a single plan: (1) the scaling down of the debt principal instead of merely extending maturities; (2) the furnishing of federal funds for local refinancing; and (3) determination of the new debt load by an agency independent of the debtor and creditors, a third party in the form of the federal administering agency. The execution of the three elements hinged upon ascertaining the districts' capacity to pay, a phrase often invoked in discussion but little applied in practice. By field appraisals of the productive value of the lands and analysis of tax and debt loads, the RFC made a contribution to the technique of debt management in administratively determining the surrender value of old bonds for refunding issues in accordance with a capacity to pay varying widely among districts.

COMPOSITION OF DEFAULTED DEBTS

Probably the most important aspect of the operation of the federal law for judicial composition of local debt was the dual use by these special districts of RFC credit and of the federal courts to insure compliance with the terms of the debt settlement. Of the eighty-seven petitions by defaulting units during the two years before the act was held unconstitutional, reports Dr. A. M. Hillhouse, twenty-four were by municipalities and nearly all of the others were irrigation, drainage, and other special districts. Not a few of these districts obtained PWA loans for construction purposes. Thus, three federal agencies supplemented each other; the RFC refinanced through an administrative supervision that could be used by the courts in reviewing debt composition plans and coinciding with the PWA extension of construction loans.

Nearly all the discussion of federal debt composition has been concerned with hopeful forecasts, before the federal law was passed, of what might be accomplished or of mournful requiems, after the act was invalidated, of what might have been accomplished. Indicative findings of what happened, in conjunction with correlative experience, are necessary for the drafting of new remedial legislation. The desirability of administrative supervision of defaulting units, instead of solely refinancing or debt composition, was demonstrated by the RFC's efforts to place borrowers on a sound economic basis. Since debt reduction alone is far from a remedy, the RFC worked out plans for the local payment of taxes, taking advantage of compromises on delinquent taxes, and reserves were set up to insure future tax payments. After refinancing, borrowers were required to adhere to a pay-as-you-go plan. District budgets are annually submitted to the RFC which scrutinizes fiscal operations by annual audits.

Such an administrative supervision is obviously impractical for the courts to assume even if, contrary to the federal act that was adopted, fiscal control could legally be vested in the judiciary. What the law did attempt to do was to vest the determination of capacity to pay in the courts as a prerequisite to the debt settlement. Judicial determination in practice meant resort to special masters, and a tendency by the judges to accept the consent of a majority of the creditors as proof of capacity to pay instead of actual determination by the courts. In many mandamus proceedings arising outside of the federal bankruptcy act, the courts have been so hampered by the difficulties of ascertaining capacity, an essentially administrative question, that slight hope exists that they will exercise this task without supplementation by administrative agencies.

The lack of these agencies is a gap that even the pressure of the depression did little to correct. Federal credit agencies, now debarred from the municipal field, would be serviceable for investigation and supervision. State agencies supervising the local units that operate under delegated authority seemed desirable not only because of legal authority but by reason of intimate association with local conditions. Yet only seven states have authorized so-called administrative receivers—Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, North Carolina, and Oregon. Even less was the actual use of receivership machinery. New Jersey invoked control for twelve municipalities, Massachusetts for three units, and New Hampshire supervised six units by quasi-receiverships. This inconclusive record reveals possibilities, not as yet fully verified, when taken in conjunction with the wider state experience in assisting in negotiations for debt readjustment and refunding without receiverships. The very lack of administrative supervision has caused not a few municipalities and their creditors to resort to the compensatory device of a contract providing for committee or trustee supervision, following the cure of the default, during the life of the refunded issue.

MINORITY OBSTRUCTION

The problem of the obdurate minority, obstructing debt settlements satisfactory to the majority of creditors, is reopened as a question after the supreme court invalidation of the federal act for the composition of local debts under judicial auspices.[2] The result is an impassé, a deadlock in which necessary legal powers are denied to the state and national governments and legally permissible authority remains latent and largely unexercised. On the one hand, the states are constitutionally debarred from the impairment of bond contracts necessary to the scaling of debts and at the same time they largely fail to utilize powers to supervise local debt administratively in other ways. On the other hand, the nation is debarred from invoking the bankruptcy power for local debt composition, at least in the form provided by the invalid act, and at the same time has refrained from substituting corrected or alternative measures.

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[2] *Ashton v. Cameron County Water Improvement District,* 56 Sup. Ct. 892 (1936).

Does not the present deadlock, threatening permanently to forbid remedial action, provide a time appropriate for the re-examination of the premises and machinery essential to debt composition and supervision? In truth, the federal act for local bankruptcies was not a well balanced approach to the problem. The statute tackled one problem, the coercion of minorities, and left untouched equally vexing questions that must be answered before readjustment of defaulted debt is more than superficial. Instead of viewing the problem of debt composition as a whole, federal judicial supervision was restricted to the one brief period of hearing and passing upon petitions. The preliminary period did not protect creditors by a stay of litigation against independent actions. The subsequent period was devoid of supervision of the defaulting units. Nor was the period of federal control adequate in means of appraising the respective creditor rights and debtor finances. Even if adequate, the settlement was narrowed to specific creditors and the debtor district and did not afford a comprehensive omnibus proceedings to give standing and consideration to other claimants, taxpayers, and voters.

Even without doubtful resort to federal bankruptcy power, remedies are not hopeless. More than one authority has pointed out that obdurate minorities can be thwarted in their obstruction by depriving the courts of the power to issue mandamus, compelling local units to pay defaulted obligations, when a preponderant percentage of the creditors agree with the debtor upon a settlement. Judicial restraint in the use of mandamus is evidenced by recent court decisions.[3] Restriction of mandamus, either by redefinition or self-limitation by the courts, is hampered by the same weaknesses vitiating the direct judicial composition of debts.

With only one vote on the Supreme Court to win to sustain federal bankruptcy for local units, an act written to cure the defects of the invalidated law might be upheld. One defect was that the law required consent of the states only inferentially or to a limited degree. To specifically require the consent of states to federal bankruptcy settlements, however, contains slight hope of overcoming the majority holding that states cannot consent to a divestment of sovereignty. Since mere state consent is not sufficient, positive state participation involving the state exercise of tax and debt powers should be provided.[4]

The filing of a local petition in the federal courts would be contingent upon state direction of the tax and borrowing powers incident to a debt settlement by requiring state control of the drafting of the composition plan and supervision of its execution. The federal government would intervene only to the extent of passing upon the equitability of the plan with reference to compelling its acceptance by minority creditors. The courts, consequently, would assume their true judicial function of reviewing action of administrative agencies in which would be vested the powers, now improperly allocated or unexercised, of investigation, determination of capacity to pay, and continuous supervision. The revised federal act would apply uniformly to all states, but the law would be operative only in states taking positive action to control and cure local defaults.

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[3] *State ex rel. Bottome v. City of St. Petersburg,* 170 So. 730 and *Commrs. of Sinking Fund v. City of Philadelphia* 188 Atl. 314. The United States Supreme Court refused to review a federal district court decision that mandamus would not be issued pending the efforts of the State Municipal Finance Commission of New Jersey to obtain a settlement of the debts of Asbury Park (*United States ex rel. Christmas v. Asbury Park, 78 Fed. (2nd) 1003*).

[4] Such a proposal for complementary national and state action is not new. The author advanced the idea in 1933 in *The Internal Debts of the United States* (Twentieth Century Fund, Evans Clark, Ed.). *The Yale Law Journal* (April 1934) urged similar action. Dr. A. M. Hillhouse favored this action as one of a series of remedial measures in his authoritative study of *Municipal Bonds.*

The previously cited cure of many defaults, especially of large cities, tempts the conclusion that machinery for debt composition is unnecessary. The bulk of defaults, however, continues uncured. During 1936 the total number of defaults by regular local units decreased by 200 to 2,037. An increase in special district defaults offset partially the decrease so that the total of 3,051 defaulting units must endeavor to find remedies without "benefit of clergy" or government.

SUPERVISING CREDITORS AND DEBTORS

One advantage of administrative supervision, in addition to judicial review of debt settlements, is that a medium is created to regulate bondholders' protective committees and to guard against the abuses of their functions that jeopardize creditors and debtors alike. Little noticed is the fact that regulation already has been undertaken by the RFC in refinancing special districts. The compensation and expenses of the committees were scrutinized before payment to prevent unreasonable charges, and illicit trading in securities by buying bonds from uninformed holders was prevented. A standard form of deposit agreement was suggested to districts which limited the fees and expenses of representatives in transactions incident to refinancing.

Regulation of this type, reaching the committees concerned by a given agency, is open for use by any federal or state agency for application to the committees with which they are in contact. The broader question of uniform or national regulation is now in the stage of consideration as a result of the investigation of the Securities and Exchange Commission. The alternative proposals advanced by Commissioner W. O. Douglas of that body reveal the varying degree of regulation available to terminate abuses arising from the conflict in interest of the committees as representative of creditors, as attorneys, and as traders in securities.[5] As a bare minimum, he would require registration by all committees with the commission to disclose all material facts relative to their activities, powers, and pay.

To registration might be coupled minimum standards outlawing practices incompatible with the public interest, excessive fees, trading by the committee members in securities affected, favoritism in contracts, or purchase of bonds at distressed prices. If these plans proved ineffective, the Securities and Exchange Commission would be vested with active supervisory power in passing upon the fairness of committee plans, activities, and expenses. Regardless of the adoption of any variant of these plans, the proposals are valuable in directing attention to abuses arising from bondholders' committees and of inducing them to "clean house" for the performance of their normal functions, probably without the more drastic advanced regulation.

In contrast to these proposals, exclusively restricted to the bondholder creditors and not affecting the debtor municipalities, is the almost unnoticed regulation of municipal securities vested in the Securities and Exchange Commission, a power applicable either to municipalities or bondholders. Municipal securities in general are exempt from the requirements for registration and from the detailed regulations of the federal acts. Yet sales of municipal securities are subject to certain fraud sections of the acts and to the prohibition against fraudulent interstate transactions in securities by misrepresentation in the sale of securities or any practice operating as a fraud upon purchasers. Three avenues are open for administration: first, the commission may define the devices deemed fraudulent; second, it may ask municipalities or purchasers for statements of fact; and, third, it may apply to the appropriate court for an injunction or restraining order. The working out of this regulation will be significant. Avoiding drastic control, the national supervision of transactions in local securities may minimize, if not end, abuses resulting in defaults and less spectacular disorders.

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[5] *Legal Notes on Local Government,* Vol. II, No. 2, September 1936, pp. 81-89.

With the laws governing local borrowing determined by the states, of course, state debt statutes were for the first time subject to national influence during the depression period. Local borrowing is characteristically administered under rigid formulae specified often by constitutional prescription. What the constitutions omitted, the statutes regulated in more detail. How could the program of the Public Works Administration, entailing local borrowing under adverse conditions, be accomplished when state regulations were restrictive both as to the amounts and the purposes for which debt could be locally incurred? Significantly, the program required the reversal of the state restrictions of purpose, amount, and method; that is, purposes were broadened, amounts were increased, and methods were facilitated, not hindered.

TAX DISTRICTS AND AUTHORITIES

Two precedents pointed the way. First, the long existence of special tax districts pointed to the feasibility of creating new corporate entities, vested with debt incurring power, even though the main municipal corporations lacked the power because of the exhaustion of permitted debt margins. Special tax districts, long in disrepute, were improved by resort to the device of "authorities" that depend upon their own income producing capacity rather than on general taxation. Preferable as is the authority to the special tax district, any wide use of the device would add to an already complex public structure by the creation of many units which could be avoided if normal fiscal procedures were set up. The authority justifies itself not as a general unit but for revenue earning functions like housing or for irregular geographical areas like the Port of New York.

The second precedent afforded a way to permit normal borrowing without adding to the number of public units. By exempting self-sustaining utility bonds from debt limits, borrowing was permitted for a type of debt for which exemption from limitation could legitimately be plead. The courts had pointed the way by the special fund doctrine which defined as debt, subject to limitation, only obligations resting upon the taxing power. The PWA sought successfully to assist the states in confirming and widening this doctrine by suggesting revenue acts authorizing the financing of water works, sewer systems, and other enterprises from revenue bonds payable from earnings and exempt from debt limits. Forty-three per cent of the PWA purchases of municipal obligations were of revenue bonds.

Generated from the necessity of financing social functions without resort to

(Continued on Page 298)

Financial and Accounting Standards

Lack of the dramatic in municipal accounting makes for lack of interest in a subject which needs the careful attention of informed citizens

CARL H. CHATTERS

Municipal Finance Officers' Association

A Detroit city employee had to shoot himself in 1936 before the public would pay attention to city finance problems. When the city defaulted interest on more than two hundred million dollars in bonds only a few citizens lost any sleep over it. And when the city's credit was re-established by a gigantic refunding operation not a cheer was heard. But the bullet which ended the life of an embezzler was to Detroit like the "shot heard round the world."

Unfortunately, the routine work of accounting and finance in any city does not lend itself to the dramatic. A new accounting and auditing system in the city hall "rates" about five lines on an inside page of the local newspaper. But the theft of a thousand dollars through inadequate auditing makes the headlines every time. Police catch a criminal, firemen effect a rescue from an upper story, the doctor saves an ailing child—the public hears and applauds. The careful, unending labor of the municipal finance officer, holding the throttle on the city's spending machine, goes along unnoticed—unnoticed until someone shoots himself.

Such public apathy is particularly dangerous because traditional American democracy can survive only as long as citizens are interested and informed about government. Administration can be economical only when financial planning—both long and short term—is carried on continuously. Financial plans require facts—old facts, new facts, complete facts about every angle of municipal activity. And these all-important facts can be recorded, classified, and preserved only in a carefully organized scheme of accounting and reporting.

The third crusade for improved accounting is now under way. The first took place about the close of the nineteenth century under the banner of the National Municipal League and the leadership of Harvey S. Chase. The second general movement was about 1911. It resulted, through the efforts of Herman A. Metz, controller of the City of New York, in the publication of the *Handbook of Municipal Accounting*. Progress from this time on was continuous but slow. Then in 1934 the National Committee on Municipal Accounting was organized. It brought together representatives of the leading national professional accounting societies, several national public officials' organizations, and the National Municipal League. It has directed its efforts to the establishment of accounting terminology, principles, and standards of practice. It has published its *Suggested Procedure for a Detailed Municipal Audit* and another volume setting up the form, content, and operation of municipal accounting statements. In order to place before the public and public officials in a brief document the standards developed by the committee, the Municipal Finance Officers' Association has just published its pamphlet, *Standard Practice in Municipal Accounting and Financial Procedure.* The latter sets forth in check list form those things which constitute acceptable practice. The balance of this article will be devoted to a discussion of the material contained in the pamphlet.

NEED FOR ACCOUNTING

Accounting would interest more people if they knew that it had some useful end in view. Briefly stated, public records are kept for three purposes: first, to record important information; second, to prepare reports from the figures recorded and classified; and third, to form the basis for an independent audit. The bookkeeping work involved is merely a mechanical procedure and perhaps too great emphasis on this part of the process has detracted from a proper conception of its broader use.

Both layman and public official should consider as a whole the financial work of the local government. There are four or five distinct groups of functions. Each part of the financial procedure must be considered in its relation to all the others. The accounting and internal audit control provide the mechanism for recording information and controlling expenditures and revenues. Another related group centers about the collection, custody, and disbursement of public moneys. Most municipalities have an independent audit of their accounts by state employees or independent accountants. This constitutes the third group of activities. These are all allied to the assessment of property and the purchasing of supplies and services. The latter constitute the fourth and fifth groups of financial activities.

The budget is a plan of proposed expenditures for a given period or purpose and the means of financing them. Too many persons think of the budget only in terms of expenditures, failing to comprehend that it includes not only the work proposed to be done but also the means of financing it. Furthermore, the budget ought to be thought of in terms of actual tasks to be performed instead of being expressed solely in terms of dollars and cents. The mere fact that street repair, for example, costs one million dollars in any given year is no indication whatsoever that a similar amount is needed the following year. The amount of the appropriation rather should be guided by the actual volume of work to be performed and this volume of work, together with the unit costs thereof, ought to be disclosed in the budget document.

Control of the budget is just as essential as its preparation and execution. Many cities control expenditures only within the amount of the appropriations, while others, such as those in Kansas, are compelled to limit expenditures to the actual cash received. The charter of the city of Duluth provides that no department may spend more than 95 per cent of the amount appropriated until a larger amount has actually been collected. The control of expenditures is best carried on in larger cities through the use of an allotment scheme. This provides for careful estimates, by monthly or quarterly periods, of both revenues and expenditures and the adjustment of the spending program if revenues fail to materialize or spending goes on more rapidly than estimated.

There is nothing mysterious about the so-called double entry plan of accounting. It is generally recognized as the only acceptable method for any public body except those so small that they contain no citizen eligible to public office who is or can become familiar with elementary bookkeeping methods. Neither does a discussion of the cash and accrual basis of accounting need to keep any municipality from having adequate records. A modified form of the accrual basis is recommended. If the books are kept on this basis, then a city knows at all times not only what it has paid out in cash but also the obligations it has incurred that must later be met in cash. Under this system, the city should also make a record of the amounts that other persons and public bodies owe to it. The cash basis of accounting, on the other hand, recognizes only the cash transactions of the government and fails to record the amounts that may be due to the city for taxes or services rendered and does not ordinarily recognize the obligations represented by purchase orders and contracts which later will become definitely determined liabilities. It is apparent that a strict budgetary control can be exercised only when expenditures are recorded on the so-called accrual basis.

MANUAL OF INSTRUCTION

The accounting plan of a municipality should be contained in a manual of instructions. The duties of each individual will be clearly set forth in this manual. It will show, among other things, a chart of accounts for the general ledger and each subsidiary ledger. It ought to describe how to handle the various types of transactions that will arise in the course of business. Only in this way can there be continuity in the work of the organization and comparable handling of similar items. A classification of revenue and expenditure accounts should be employed on a uniform basis throughout any given state. This classification should be designed in accordance with the standards most generally accepted; namely, those of the United States Bureau of the Census. The reader should bear in mind that the principal use of a classification is to see that money expended for similar purposes is charged to an account having the same name in each municipality. It may be that in one city, because of the particular type of organization, the activities will be grouped by departments in some arbitrary way and in another city the same activity may be found in a different department. If, however, the cost of each activity is properly recorded, then for statistical purposes they may be regrouped into some arbitrary framework on a national basis.

The surplus account in a municipal balance sheet needs careful explanation. Frequently a figure labeled surplus is merely the difference between all of the so-called assets and all of the so-called liabilities of a city regardless of the type of thing they represent and regardless of the fund to which they belong. From the standpoint of municipal administration the surplus account in the general fund or operating funds ought to be, generally speaking, the difference between the current assets and the current liabilities plus reserves. Even when so stated it ought to be divided further between surplus that is available for appropriation at this time and surplus that is represented by accounts receivable or taxes receivable and therefore not available until collected. It has been customary many times to subtract the bonded debt from the book value of fixed properties and call the difference surplus. Some have gone even further and combined this figure with the current surplus of the municipality. The difference between the property account and the debt account, except in the case of municipal utilities, cannot be considered a municipal surplus since the debt will not be liquidated from the assets nor could the assets be sold to pay off the debt.

The use of funds distinguishes municipal accounting from private, corporate accounting. It is recommended that, unless required by law, municipalities divide their accounts into the following fund groups: general fund, special revenue fund, working capital fund, special assessment fund, bond fund, sinking fund, trust and agency fund, and utility fund. The use of a large number of funds, even when required by law, greatly complicates the accounting procedure. It also makes the presentation of reports more difficult. However, every municipality must keep its records in such a way that it can disclose the assets and liabilities as well as the financial transactions of each fund. This does not prevent the officials, however, from trying to work out a more simplified procedure through the elimination or combination of unnecessary funds. There is much confusion between a fund and an appropriation. A fund consists of assets set aside to carry on some particular line of activity. Usually the establishment of a fund carries no authority to spend. On the other hand, the appropriation is legislative authority to spend a definite sum of money or a sum determined by the amount of the income of a fund. Furthermore, departmental appropriations should not be confused with funds. A large number of departmental appropriations may be payable from the general fund or from several of the other funds.

Adequate accounting procedure will provide for the control of expenditures and a record of cash receipts that may readily be audited. The chief financial officer in any local government ought to have sole control over all receipt forms, permits, and other stationery used in connection with the collection of cash. The use of receipts with stubs is permissible only when collections are being made against a tax roll or other amounts which have been independently and exactly predetermined by some agency other than the one making the collection. The general rule should be to use receipts with a carbon copy except when some other alternative is essential.

DEPOSIT OF FUNDS

The city treasurer should deposit each day in his depository the exact amount he collected the day before. This is the most satisfactory basis from every angle. Furthermore, every individual in the city's employ who collects money independently of the treasurer's office ought to deposit it with the treasurer as frequently as possible, and at least once each week. At no time should any public official carry a bank account in which he has city money in his own name. If the law or administrative regulations require him or permit him to retain cash until the end of a month, then it ought to be placed in a bank account which is clearly designated as the property of the municipality. There is only infrequent justification for a system that permits any public employee except the treasurer to retain municipal funds in his possession even for a short period of time.

There should be a payroll register on which the names of all city employees are listed regularly. It should be compared each pay day with the previous payroll or with the records of the civil service commission. A new name should be accepted only when completely verified. Employees should be paid by check and not with cash. Neither should the claims against a municipality for materials, supplies, and services be paid by cash, but should in all cases be made by warrant, check, or voucher.

The accounting process costs money and requires care. It can be justified only by its actual use. This justification is found in the preparation of reports for administrative officials, for the city council, and for the public. During the fiscal year the chief executive will need complete information about the realization of revenues and the rate of spending against the various appropriations. He will need special reports best obtainable from the accounting records. When the city council is passing on the budget, it will need a mass of detailed information about comparative costs and work programs. At the end of the year, and perhaps more frequently, the public should be told in simple form and yet in a complete manner about the financial operation of the government. Even in a report prepared in popular style with pictures, graphs, and interesting text there is no excuse for omitting essential financial data which will disclose in summary form the principal sources of income and expenditure and the results of the year's operations. The same report should show in summary form the condition of all municipal funds. The general appearance of public reports and the display of their contents in an interesting manner has received rapid development during the past ten years as disclosed in the annual articles by Clarence E. Ridley in the NATIONAL MUNICIPAL REVIEW. There is now need to devote attention to the content of the reports as well as their form and appearance.

No consolidated balance sheet should combine similar accounts of all funds unless it gives the details for each fund in adjoining parallel columns. It is misleading to prepare a statement showing the cash, taxes receivable, investments, notes payable, and other liabilities of all funds. Each fund was set up by law for a specific purpose. The cash in the general fund, for instance, cannot legally be used for trust fund or special assessment fund purposes. Neither can the surplus in any of the funds be properly transferred. Each of the major funds established by law must be considered as a separate financial unit and the acccounts must be displayed accordingly. If there is a combined surplus for all funds, it must be considered in the light of the needs of each fund and cannot be disposed of as one single figure of surplus. Proper segregation on the balance sheets and proper segregation of fund assets in the bank is essential to the legal administration of municipal finances.

COMPARISONS OF MUNICIPAL EXPENDITURES

Until municipal cost accounting has been further developed there will continue to be no proper basis for comparing the expenditures of one municipality with those of another. Neither will there be any adequate basis for the budgeting of many municipal activities. But cost accounting will be developed chiefly for its use from the standpoint of management. It will permit the chief executive to know whether or not the same crew of workmen is performing similar services at similar costs at different times and whether or not different crews of men are performing similar work at similar costs at the same time. The development of cost accounting will permit public officials to make budgets based on the actual work to be performed and the unit cost of performing each operation. Eventually, when cost accounting and the elements entering into costs have been fully defined and controlled, it may be possible to work out a system whereby the costs of similar activities in different cities may be compared. Until then, cities will be compared by means of their total tax rates, which, in the opinion of the author of this article, is worse than no comparison at all. Many municipalities have already made some activities subject to cost finding. It is quite probable that researchers during the next few years will develop criteria and means by which other activities may also be made subject to cost finding.

Most municipalities have an annual audit of their accounts by state officials or independent, practicing account-

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Municipal Bond Defaults

The default era, so far as the larger cities, counties, and school districts are concerned, is practically over

SANDERS SHANKS, JR. *The Bond Buyer, New York*

ADDRESSING a national conference of mutual savings bankers in New York City in April, a speaker called attention to the progress made in the last two years in cleaning up the municipal bond defaults which had occurred during the depression years. Using statistics furnished by *The Bond Buyer,* it was shown that during the two years ended March 1, 1937, the one state which had defaulted had been refinanced. The number of defaulting counties had been reduced from 359 to 208, a 42 per cent gain. At the beginning of the period 870 cities and towns were listed as in default, while at the close of the period the number had been reduced to 684, a 21.3 per cent improvement.

The appended tabulation, revised to May 1, 1937, presents the current picture somewhat more completely and revised in accordance with data received in recent weeks. It should be noted that two-thirds of the total number of defaulting units are situated in these six states: Florida, Texas, North Carolina, Louisiana, New Jersey, and Ohio. In two of these states (Florida and Louisiana) available information on the current status of the municipalities listed as in default is not as comprehensive as in the case of most of the other states and it is probable that, could a closer check be made, the number of defaulting units shown could be reduced. Certainly it is true that, through refunding operations and cash payments of past-due items, steady progress is being made in all states in restoring debtors to a current basis.

Another point which may be made is that, with very few exceptions, it is the small municipalities, having a comparatively insignificant aggregate of outstanding debt, that are still behind with debt service payments. The reader should also keep in mind that a municipality, listed as in default, may have merely fallen behind to the extent of a half-year's interest or on a portion of its maturing debt principal. Unlike corporation bonds, inability on the part of a municipality to meet interest coupons or maturing principal does not accelerate future maturities of the same bond issue, nor does it place other issues of the municipality in a condition of default. While the investor attitude may be that it is the municipality as such, rather than a specific bond or interest coupon, that is in default, it is important to bear in mind this difference between private and public debts when attempting to visualize the aggregate dollars-and-cents amount of bond or interest coupons which are actually past due at this date.

So far as the larger cities, counties, and school districts of the country are concerned, the default era is practically

SUMMARY OF MUNICIPAL DEBT DEFAULTS

Revised to May 1, 1937

As Reported to *The Bond Buyer,* New York

The reports summarized below relate only to defaults on bonds, notes, certificates of indebtedness, etc. Many default reports are from unofficial sources, but a continuous effort is being made to secure official confirmation of all defaults. In numerous instances defaults may be restricted to a small amount of principal and interest, and in others defaults may have been cured since the date of our last information. It should also be kept in mind that in certain states machinery exists which makes it possible to compile complete statistics, whereas in other states available information may be incomplete. For this reason too much reliance should not be placed upon the comparative showing of the several states.

	States	Counties	Cities and Towns	School Districts	Other Districts	Total Number Municipalities	Reclamation, Levee, Irri. & Drainage Districts	Special Assmt.	Grand Total Municipalities and Spec. Districts
Alabama	..	..	8	..	..	8	1	1	10
Arizona	..	3	5	6	..	14	3	4	21
Arkansas	..	10	6	77	..	93	134	..	227
California	..	2	6	17	..	25	133	49	207
Colorado	..	1	7	10	..	18	12	2	32
Florida	..	40	161	201	102	504	72	8	584
Georgia	..	1	1	2	..	4	..	..	4
Idaho	..	1	10	..	..	11	22	25	58
Illinois	..	..	2	6	1	9	8	93	110
Indiana	..	8	..	1	..	9	1	4	14
Iowa	..	..	1	3	..	4	4	6	14
Kansas	..	..	4	..	..	4	..	..	4
Kentucky	..	21	5	2	..	28	9	4	41
Louisiana	..	22	5	42	100	169	63	3	235
Michigan	..	1	24	53	..	78	16	5	99
Minnesota	..	4	20	8	..	32	..	1	33
Mississippi	..	9	4	4	5	22	13	..	35
Missouri	..	..	3	2	..	5	22	..	27
Montana	..	1	2	1	..	4	5	43	52
Nebraska	..	..	5	3	..	8	3	..	11
Nevada	..	..	..	..	..	..	1	..	1
New Jersey	..	..	52	89	..	141	..	..	141
New Mexico	..	..	1	4	..	5	2	4	11
New York	..	..	1	..	..	1	..	1	2
North Carolina	..	32	97	41	..	170	11	4	185
North Dakota	..	4	19	7	..	30	..	21	51
Ohio	..	3	65	45	..	113	1	2	116
Oklahoma	..	1	32	1	..	34	46	5	85
Oregon	..	..	15	..	.	15	23	2	40
Pennsylvania	..	..	7	4	1	12	..	1	13
South Carolina	..	3	12	3	..	18	2	..	20
South Dakota	..	2	14	17	..	33	5	4	42
Tennessee	..	4	18	..	..	22	5	1	28
Texas	..	30	81	40	44	195	44	3	242
Utah	..	1	6	1	..	8	6	..	14
Virginia	..	..	2	..	..	2	..	..	2
Washington	..	..	1	..	..	1	4	18	23
Wisconsin	..	3	..	..	..	3	2	..	5
Wyoming	..	..	2	..	..	2	1	2	5
Total	..	207	704	690	253	1854	674	316	2844

over. A recent survey of the situation in 103 counties, cities, and districts which defaulted during the depression period disclosed the following picture:

Of fifty-four cities (minimum population 25,000) with aggregate population of 13,770,174 and gross debt of $3,742,560,059, only four have failed to work out a solution of their debt problems. These four cities had an aggregate population of only 121,657 and an aggregate gross debt of only $21,886,266.

As for counties (minimum population 100,000) eighteen out of nineteen were off the default list and twenty-one out of twenty-four defaulting school districts (minimum population 25,000) were marked "cured." Of six other districts, two of the smaller units, with aggregate gross debt of less than $1,000,000, have not yet cured their defaults.

FEDERAL REGULATION OF LOCAL DEBT

(Continued from Page 290)

taxation, the revenue bonds lack clear remedies for default by reason of the judicial preoccupation with distinguishing revenue bonds from general debt.[6] A lien on the property would give the bondholder legal title to a property he could not operate. If the equity powers of the courts governing specific performance and mandatory injunctions are clarified, the utility rates could be supervised and their proceeds could be applied to retire the revenue debt. Ultimate resort to the taxing power might be provided in event the utility is habitually deficit producing. New Jersey in 1936 recognized the undesirability of completely separating general and revenue bonds by subjecting the utility debt to general limits if, when, and as the utility fails to be self-sustaining. A protection to the community, as well as to the bondholder, is the appointment of a receiver in event of default to manage the property during bankruptcy. A number of states authorize receivers, but the authority rarely is invoked.

The legislation recommended by the PWA for authorities, revenue bonds, and borrowing procedure is but the more spectacular example of a device long used intermittently by national agencies. A lesson for permanent use to be derived from the various suggested laws and ordinances is the distinctive value of coöperative codification of procedural and substantive regulations. Financial subjects, especially local borrowing, budgeting, and reporting, invite collaborative drafting of codes by national, state, and local officials. Processes now untouched by authoritative codes should not await the duress of another depression to impell the preparation of rules specifying scientific procedures, authorizing modern functions, and defining the powers and responsibilities of the respective jurisdictions.

EDITOR'S NOTE.—This is the first of two articles by Mr. Kilpatrick. The second, entitled "Function of Federal Recovery Agencies in Municipal Recovery," will appear in the July 1937 issue of the REVIEW.

Material on which the present article is based was collected by the author for the Urbanism Study of the National Resources Committee. The opinions and suggestions advanced in the article are expressed upon the sole responsibility of the author, not the committee.

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[6] John Pershing, *Legal Notes on Local Government,* Vol. II, No. 5, March 1937, pp. 261-71.

The Bonded Debt of 272 Cities as at January 1, 1937

New tabulation shows some recession in gross bonded debt for all but largest cities which show slight increase

ROSINA MOHAUPT

Detroit Bureau of Governmental Research

THE fifteenth annual compilation of the bonded debt of American cities over 30,000 population reports a total of $5,662,462,000 of gross debt as of January 1, 1937, or an average for each city reporting of $21,778,700. The net debt excluding self-supporting utilities is $3,930,958,000. Unfortunately a report on the debt of New York City was not available this year which makes comparison of this year's total bonded debt with that of last year impossible.

There are 310 American cities over 30,000 in population. Practically all of group I,[1] II, and III cities reported. Estimating the debt of New York City and other cities omitted from groups IV and V, the total gross bonded debt for all American cities above 30,000 population as of January 1, 1937, becomes $8,239,000,000, or $175.65 per capita.

The data were collected as in the past, through the coöperation of public officials and other public agencies. The per capita debt figures are based on the 1930 United States census since conditions are such that the usual methods of estimating increases based on the previous decade are hardly considered valid due to the depression. Washington, D. C., has no debt, and so is not considered in computing the per capita debt of group II cities—in past years this was included and reduced the per capita debt for this group proportionately. The tabulation shows the data for Canadian cities as in the past, but they are not included in any of the statistical summaries. The same form of presentation has been used as in past years.

The trend of debt is shown best by the data for cities reporting in both 1936 and 1937. Using only these comparable cities, 19 cities are eliminated as not reporting in 1936, reducing the total to 241 cities for comparative purposes. (See Table I.)

Table I should be considered in conjunction with Table II showing the same figures on a per capita basis.

From these two tables it appears that there is some general recession in gross bonded debt for all groups of cities except group I, the very largest cities, where the increase was not large, some $33,000,000. Group V cities showed an increase of $2,000,000 in net debt, which with a decrease in the gross debt for the same cities, may be due to refunding operations. Against a total increase for all cities of $14,500,000 of gross bonded debt, there is a decrease in the net debt less self-supporting of about $46,000,000.

The per capita figures illustrate these trends in smaller figures. The 1936 re-

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[1] The United States Census groups cities according to population as shown in the attached tabulation.

TABLE I

COMPARISON OF GROSS AND NET BONDED DEBT—241 COMPARABLE AMERICAN CITIES 1937-1936
(in thousand dollars)

	Gross Bonded Debt		Net Debt Less Self Supporting	
Group	1937	1936	1937	1936
I	$2,677,344	$2,644,610	$1,802,009	$1,831,818
II	742,479	749,920	491,413	497,362
III	1,344,765	1,348,241	938,949	950,159
IV	507,298	512,387	395,504	397,146
V	276,726	278,974	213,373	211,149
Totals	$5,548,612	$5,534,132	$3,841,248	$3,887,634

TABLE II

COMPARISON PER CAPITA GROSS AND NET DEBT—241 COMPARABLE AMERICAN CITIES 1937-1936

		Gross Bonded Debt		Net Debt Less Self Supporting	
Group	Population	1937	1936	1937	1936
I	13,898,096	$192.64	$190.29	$129.66	$131.80
II	4,200,512	176.76	178.53	116.99	118.41
III	10,385,683	129.48	129.82	90.41	91.49
IV	4,740,346	107.02	108.09	83.43	83.78
V	3,189,509	86.76	87.47	66.90	66.20
Totals	36,414,146	$152.38	$151.98	$105.49	$106.76

TABLE III

CHANGES IN BONDED AND NET DEBT—241 COMPARABLE AMERICAN CITIES 1937-1936

	Gross Bonded Debt			Net Debt Less Self-Supporting		
Group	Increase	Decrease	Same	Increase	Decrease	Same
I	4	8	0	5	7	0
II	3	8	0	3	8	0
III	23	42	1	26	39	0
IV	26	41	3	25	45	1
V	27	53	2	32	49	1
Totals	83	152	6	91	148	2

port of bonded debt showed a per capita decrease in gross debt of $1.20 under the 1935 figures, against an increase this year of 40 cents over 1936. Thus, from these data it may be assumed that some slight upward tendency is noted in financing capital improvements from debt although it is not particularly marked at this time. This movement, however, is counterbalanced by a $1.27 decrease in per capita net bonded debt, excluding self-supporting, since 1936, as compared with the five-cent per capita decrease from 1935 to 1936. This net debt less self-supporting utilities is computed by deducting all sinking funds and all self-supporting utilities. Increased sinking funds may be due to larger contributions to the funds, or may be due in part to bookkeeping changes in accounting for the funds, such as was the case this year in Chicago, Pittsburgh, and Buffalo which reported a total increase of about $35,000,000 in sinking funds.

Table III confirms the former statement that the trend of debt is fairly stationary. In the 1936 report, it was found that 156 cities reduced their gross debt and 84 increased it over 1935, which is about the same situation as reported here. The current trend of debt is more to retire the outstanding

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BONDED DEBT OF 272 CITIES AS AT JANUARY 1, 1937

Compiled by the Detroit Bureau of Governmental Research, Inc.

From Data Furnished by Members of the Governmental Research Association, City Officials and Chambers of Commerce

		Census 1930	GROSS BONDED DEBT				SINKING FUND				NET BONDED DEBT			Total Gross Special Assess-ments	Total Special Assess-ments, General Obligation	
			General Improvement	Public Schools	Public Utilities	Total	Total	Gen'l Im-prove-ment (per cent)	Public School (per cent)	Public Util-ity (per cent)	Total	Excluding Self-sup-porting	Per Capita Exclud-ing S. S.			
	Group I															
	Population 500,000 and over		$	$	$	$	$				$	$	$	$	$	
1	New York, N. Y.[1]	6,930,446	Not Reporting													1
2	Chicago, Ill.[2]	3,376,438	346,279,970	41,432,000	4,620,000	392,331,970	35,588,429	86	14	..	356,743,541	356,743,541	105.65	19,624,000	....	2
3	Philadelphia, Pa.[3]	1,950.961	552,029,500	61,211,000	....	613,240,500	168,545,563	83	17	..	444,694,937	384,694,937	197.18	N	N	3
4	Detroit, Mich.[4]	1,568,662	185,971,221	71,659,937	125,652,333	383,283,491	13,985,856	3	..	97	369,297,635	279,293,545	178.05	966,000	966,000	4
5	Los Angeles, Cal.[5]	1,238,048	57,916,772	61,787,576	191,822,900	311,527,248	2,433,917	..	..	100	309,093,331	128,089,648	103.46	9,133,951	N	5
6	Cleveland, O.[6]	900,429	80,190,154	13,820,750	27,556,000	121,566,904	3,918,315	82	18	..	117,648,589	90,092,589	100.06	3,498,744	3,498,744	6
7	St. Louis, Mo.	821,960	81,582,000	3,516,000	7,202,000	92,300,000	3,388,278	62	32	6	88,911,722	81,919,588	99.66	N	N	7
8	Baltimore, Md.[7]	804.874	127,088,765	25,292,315	35,434,500	187,815,580	31,335,431	84	4	12	156,480,149	111,984,862	139.13	274,000	274,000	8
9	Boston, Mass.[8]	781,188	72,707,300	9,607,000	76,451,700	158,766,000	25,885,857	38	12	50	132,880,143	69,449,991	88.90	....	....	9
10	Pittsburgh, Pa.[9]	669,817	52,708,300	22,365,745	6,256,300	81,330,345	8,455,742	69.5	30	.5	72,874,603	66,655,380	99.51	N	N	10
11	San Francisco, Cal.[10]	634,394	39,799,800	13,175,000	114,174,000	167,148,800	N	..	..	..	167,148,800	93,631,800	147.59	943,000	....	11
12	Milwaukee, Wis.[11]	578,249	42,209,091	7,181,500	20,000	49,410,591	5,148,525	84	16	..	44,262,066	44,242,066	76.51	....	....	12
13	Buffalo, N. Y.	573,076	82,486,280	18,291,500	17,844,638	118,622,418	11,151,412	50	..	50	107,471,006	95,209,173	166.14	1,125,000	....	13
	Group II															
	Population 300,000 to 500,000															
14	Washington, D. C.	486,869	No Bonded Debt													14
15	Minneapolis, Minn.[12]	464,356	37,330,086	18,705,174	3,397,000	59,432,260	5,447,395	61	33	6	53,984,865	51,267,775	110.40	7,410,800	2,248,119	15
16	New Orleans, La.[13]	458,762	50,476,000	4,931,000	3,000,000	58,407,000	N	..	..	..	58,407,000	55,407,000	120.77	5,630,000	5,630,000	16
17	Cincinnati, O.[14]	451,160	46,003,202	13,693,000	40,096,639	99,792,841	34,113,076	45	8	47	65,679,765	35,992,349	79.77	3,641,752	3,641,752	17

*=Estimated. N=None.

[1] **New York.** 1937 bonded debt information not available.

[2] **Chicago.** General bonds include sanitary district bonds, $118,772,076, or 85 per cent of the total debt of the district, which is the proportion of taxable values within the city, and the bonds of the various park districts now consolidated. County debt, $47,541,910, and forest preserve district (coterminous with the county) $12,415,750, are not included; 83 per cent of the taxable values of county and forest preserve district are within the city. Utility bonds are light and power.

[3] **Philadelphia.** General bonds include utility debt. Net self-supporting debt is estimated at $60,000,000. There is no county debt.

[4] **Detroit.** Public utility bonds include light and power, $22,092,000 (not self-supporting) and street railway, $35,857,000. General bonds include $3,300,000 sewage disposal bonds which are not faith and credit bonds. Debt shown is as of March 31, 1937.

[5] **Los Angeles.** General bonds include flood control, $19,584,397, based upon proportion of taxable values within the city; utility bonds include light and power, $29,971,000; harbor, $18,634,000 (55 per cent self-supporting); and metropolitan water district, $74,490,000. School bonds are issued by the county, the city's pro-rated share being reported. The city's portion of county debt, $2,847,950, is omitted.

[6] **Cleveland.** Utility debt includes light and power, $4,045,000.

[7] **Baltimore.** In addition to water debt, general bonds for conduit and certain harbor terminal debt are deducted as self-supporting.

[8] **Boston.** County debt of $1,410,000 (sinking fund, $898,803) not included, though city assumes full burden. Utility bonds include water, $943,000; street railway, $56,058,700; and traffic tunnel, $19,450,000.

[9] **Pittsburgh.** In previous years sinking fund has been reported as at December 31. This year the sinking fund is as of January 1, after the 1937 appropriation of $4,425,145 has been added.

[10] **San Francisco.** Utility debt includes street railway, $1,600,000; water debt includes power. Golden Gate Bridge and Highway District general obligation bonds, $31,500,000, not included; if not self-supporting, city will pay 85 per cent of cost.

[11] **Milwaukee.** General bonds include Metropolitan Sewage District, $17,328,891, which is the city's share (79.4 per cent) of the total debt of the district.

[12] **Minneapolis.** Utility bonds include market, $350,000.

[13] **New Orleans.** General bonds include sewer, water, and drainage bonds. Utility bonds are Public Belt R. R. Report does not include Public Belt Bridge revenue bonds, $6,000,000; Port (a state agency), $37,824,000; Orleans Levee District (coterminous with city), $21,064,234.

[14] **Cincinnati.** General bonds include university, $3,094,088; utility bonds include rapid transit, $6,100,000; Cincinnati Southern Railway construction, $15,018,239, and terminal, $6,900,000; and airport $702,000. The annual rental of the railroad exceeds the debt charges on its construction bonds, the excess being equivalent to debt charges on approximately $11,500,000 25-year 4 per cent bonds; self-supporting debt is computed on this basis.

			GROSS BONDED DEBT				SINKING FUND				NET BONDED DEBT					
		Census 1930	General Improvement	Public Schools	Public Utilities	Total	Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
18	Newark, N. J.[15]	442,337	83,565,303	18,858,200	21,831,000	124,254,503	15,686,555	81	..	19	108,567,948	89,701,016	202.79	N	N	18
19	Kansas City, Mo.	399,746	26,520,000	20,501,000	13,535,000	60,556,000	5,690,206	5	95	..	54,865,794	41,347,701	103.43	N	N	19
20	Seattle, Wash.[16]	365,583	14,185,000	9,680,000	53,191,000	77,056,000	581,571	71	29	N	76,474,429	23,283,429	63.68	19,199,962	N	20
21	Indianapolis, Ind.[17]	364,161	15,771,840	9,938,000	8,000,000	33,709,840	2,244,148	29	71	N	31,465,692	23,465,692	64.43	1,676,746	N	21
22	Rochester, N. Y.[18]	328,132	42,113,000	15,904,000	6,462,000	64,479,000	5,225,702	56	19	25	59,253,298	54,069,897	164.78	7,629,000	7,629,000	22
23	Jersey City, N. J.	316,715	47,457,233	13,455,000	14,791,255	75,703,488	7,192,984	31	21	48	68,510,504	57,184,471	180.55	N	N	23
24	Louisville, Ky.[19]	307,745	29,123,800	11,000,000*	1,079,000	41,202,800	7,540,994	90	..	10	33,661,806	33,352,926	108.37	155,958	N	24
25	Portland, Ore.[20]	301,815	21,806,060	7,340,596	18,739,000	47,885,656	7,563,680	37	..	63	40,321,976	26,341,007	87.27	5,110,680	5,110,680	25
	Group III Population 100,000 to 300,000															
26	Houston, Texas	292,352	26,749,750	12,226,500	1,991,000	40,967,250	5,125,417	64	26	10	35,841,833	34,349,112	117.49	N	N	26
27	Toledo, Ohio	290,718	26,141,500	14,134,500	608,000	40,884,000	2,877,540	68	28	4	38,006,460	37,503,425	129.00	N	N	27
28	Columbus, Ohio[21]	290,564	23,036,080	8,102,220	6,704,500	37,842,800	6,775,782	38	37	25	31,067,017	26,717,085	91.94	3,240,295	3,240,295	28
29	Denver, Colo.[22]	287,861	6,995,000	7,829,000	39,233,200	54,057,200	731,508	24	N	76	53,325,692	28,261,731	98.17	5,516,200	1,058,500	29
30	Oakland, Cal.[23]	284,063	9,619,887	10,998,813	36,628,725	57,247,425	N	..	..	..	57,247,425	20,618,700	72.58	N	N	30
31	St. Paul, Minn.	271,606	21,143,000	10,374,000	6,588,000	38,105,000	7,042,611	39	42	19	31,062,389	25,829,338	95.10	6,000,000	......	31
32	Atlanta, Ga.	270,366	6,702,500	5,515,000	2,488,000	14,705,500	1,645,773	51	18	31	13,059,727	11,075,434	40.96	133,900	133,900	32
33	Dallas, Texas	260,475	19,718,000	6,700,250	11,374,000	37,792,250	2,992,714	63	..	37	34,799,536	24,541,235	94.21	N	N	33
34	Birmingham, Ala.	259,678	12,092,000	9,504,000	2,000,000	23,596,000	2,492,363	..	..	.	21,103,637	19,103,637	73.56	1,499,000	1,499,000	34
35	Akron, Ohio	255,040	24,888,445	6,819,051	9,736,532	41,444,028	2,428,516	19	14	67	39,015,512	30,916,484	121.22	3,323,900	3,323,900	35
36	Memphis, Tenn	253,143	16,720,000	5,779,000	5,343,000	27,842,600	2,178,737	52	33	15	25,663,863	20,644,465	81.55	714,000	714,000	36
37	Providence, R. I.	252,981	28,145,000	13,826,000	18,000,000	59,971,000	15,738,150	49	18	33	44,232,850	31,425,000	124.21	N	N	37
38	San Antonio, Texas	231,542	15,168,000	7,033,000	6,251,000	28,452,000	1,012,128	76	12	12	27,439,872	21,307,506	92.02	N	N	38
39	Omaha, Neb.[24]	214,006	11,908,475	6,527,250	6,578,000	25,013,725	6,141,937	15	18	67	18,871,788	16,422,788	76.73	4,349,750	1,282,000	39
40	Syracuse, N. Y.[25]	209,326	25,306,505	6,796,296	5,744,125	37,846,926	8,019		..	100	37,838,907	32,102,801	153.36	1,484,000	1,484,000	40
41	Dayton, Ohio[26]	200,982	8,573,600	6,936,711	4,594,000	20,104,311	2,123,876	45	9	46	17,980,435	14,375,732	71.52	755,861	......	41
42	Worcester, Mass.	195,311	9,247,000	343,000	2,906,500	12,496,500	426,698	100	..		12,069,802	9,163,302	46.91	N	N	42
43	Oklahoma City, Okla.	185,389	9,667,400	5,454,123	4,970,800	20,092,323	6,555,852	42	26	32	13,536,471	10,700,195	57.71	3,657,518	N	43
44	Richmond, Va.[27]	182,929	24,605,112	6,184,438	7,155,550	37,945,100	13,816,537	68	14	18	24,128,563	19,523,160	106.72	N	N	44
45	Youngstown, Ohio	170,002	7,056,952	2,007,000	890,000	9,953,952	340,439	82	18	N	9,613,513	8,723,513	51.31	542,000	N	45
46	Grand Rapids, Mich.	168,592	7,637,800	3,048,326	2,855,000	13,541,126	2,390,000	53	N	47	11,151,126	9,416,126	55.85	1,951,200	1,951,200	46
47	Hartford, Conn.	164,072	12,267,000	6,236,000	2,940,000	21,443,000	3,598,728	62	28	10	17,844,272	15,275,423	93.10	N	N	47
48	Fort Worth, Texas	163,447	13,004,000	6,902,500	8,240,000	28,146,500	1,445,851	35	62	3	26,700,649	18,504,649	113.21	N	N	48
49	New Haven, Conn.	162,655	13,746,000	334,000	N	14,080,000	1,051,331	84	16	N	13,028,669	13,028,669	80.10	N	N	49
50	Flint, Mich.	156,492	7,468,658	6,869,000	2,067,500	16,405,158	2,784,183	29	40	31	13,620,975	12,415,665	79.33	1,723,000	1,723,000	50

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[15] **Newark.** General debt includes city railway (subway), $2,709,000 not self-supporting. School sinking fund is included under general sinking fund.

[16] **Seattle.** Utility bonds include light and power, $36,634,000, and street railway, $8,873,000.

[17] **Indianapolis.** Utility debt is gas bonds. School debt includes $613,000 library bonds.

[18] **Rochester.** General bonds include tax revenue, $4,700,000, and local assessment, $7,629,000.

[19] **Louisville.** General debt and school debt total, $40,123,800. Amount of school debt estimated.

[20] **Portland.** General bonds include dock, $6,489,800, and city's share (92.7 per cent) of port bonds, $2,206,260. Utility bonds include golf links, $96,000. School debt reported is city's share (97.22 per cent) of school district No. 1.

[21] **Columbus.** Utility debt includes light and power, $889,000.

[22] **Denver.** Utility debt includes tunnel, $13,613,600, only partially supported by earnings and not considered as self-supporting.

[23] **Oakland.** General bonds include harbor, $6,772,000. Utility bonds are city's share (60 per cent) of East Bay Municipal Utility District (Water).

[24] **Omaha.** Utility bonds include gas, $1,874,000.

[25] **Syracuse.** Utility bonds include stadium, $115,000.

[26] **Dayton.** Utility bonds include sewerage plant, $300,000. City's portion of Miami Conservancy District not included.

[27] **Richmond.** Utility bonds include light and power, $300,000, and gas, $3,349,550.

			GROSS BONDED DEBT				SINKING FUND				NET BONDED DEBT					
		Census 1930	General Improvement	Public Schools	Public Utilities	Total	Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
51	Nashville, Tenn.[28]	153,866	11,357,000	2,050,000	3,500,000	16,907,000	899,683	100	..	..	16,007,317	12,507,317	81.29	93,000	93,000	51
52	Springfield, Mass.	149,900	8,699,500	1,681,500	6,666,000	17,047,000	N	..	..	..	17,047,000	10,381,000	69.25	....	....	52
53	San Diego, Cal.	147,995	3,285,006	4,300,125	11,738,934	19,324,065	N	..	..	..	19,324,065	19,324,065	130.57	5,217,433	....	53
54	Bridgeport, Conn.	146,716	10,952,000	3,362,000	N	14,314,000	N	..	..	..	14,314,000	14,314,000	97.56	N	N	54
55	Scranton, Pa.	143,433	2,229,000	5,750,000	N	7,979,000	184,424	40	60	N	7,794,576	7,794,576	54.34	782,419	....	55
56	Des Moines, Ia.	142,559	5,435,800	7,216,000	4,878,000	17,529,800	768,367	..	..	100	16,761,433	12,651,800	88.75	....	....	56
57	Long Beach, Cal.[29]	142,032	9,739,906	10,205,536	5,823,000	25,768,442	N	..	..	..	25,768,442	19,945,442	140.42	1,100,597	N	57
58	Tulsa, Oklahoma	141,258	9,570,008	6,392,240	4,146,000	20,108,248	3,498,217	62	38	..	16,610,031	12,464,031	88.23	....	....	58
59	Salt Lake City, Utah	140,267	3,613,500	3,865,000	4,521,000	11,999,500	234,582	71	29	..	11,764,918	7,243,918	51.64	....	....	59
60	Paterson, N. J.	138,513	12,512,614	6,021,400	14,278,000	32,812,014	....	..	..	..	32,812,014	18,534,014	133.81	....	....	60
61	Yonkers, N. Y.	134,646	18,992,650	8,804,550	5,086,250	32,883,450	N	..	..	..	32,883,450	27,797,200	206.44	2,367,600	2,367,600	61
62	Norfolk, Va.[30]	129,710	19,449,522	5,998,507	14,284,771	39,732,800	11,919,680	60	..	40	27,813,120	18,271,240	140.86	N	N	62
63	Jacksonville, Fla.[31]	129,549	5,631,500	3,715,450	4,397,500	13,744,450	1,624,969	60	40	..	12,119,481	7,721,981	59.60	854,000	854,000	63
64	Albany, N. Y.	127,412	13,317,590	5,217,800	12,794,500	31,329,890	1,660,429	100	..	..	29,669,461	16,879,874	132.48	992,000	992,000	64
65	Trenton, N. J.	123,356	11,895,760	6,959,713	1,308,500	20,163,973	2,213,855	44	36	20	17,950,118	17,090,442	138.54	116,000	116,000	65
66	Kansas City, Kan.[32]	121,857	4,389,006	2,379,000	5,781,000	12,549,006	3,280,771	8	2	90	9,268,235	6,433,888	52.79	265,180	....	66
67	Chattanooga, Tenn.	119,798	12,226,100	2,111,500	N	14,337,600	672,621	..	..	..	13,664,979	13,664,979	114.06	1,347,219	1,347,219	67
68	Camden, N. J.	118,700	22,477,685	3,898,000	1,723,975	28,099,660	2,107,279	64	28	8	25,992,381	24,446,428	205.95	N	N	68
69	Erie, Pa.	115,967	5,772,000	5,478,500	1,350,000	12,600,500	228,976	74	..	26	12,371,524	11,081,524	95.55	648,616	72,000	69
70	Spokane, Wash.[33]	115,514	2,547,000	845,000	765,000	4,157,000	259,671	28	15	57	3,897,329	3,281,197	28.40	1,423,594	N	70
71	Fall River, Mass.	115,274	5,278,500	1,555,500	174,000	7,008,000	611,000	100	..	..	6,397,000	6,223,000	53.98	N	N	71
72	Fort Wayne, Ind.	114,946	692,500	2,374,000	1,987,000	5,053,500	N	..	..	..	5,053,500	3,066,500	26.68	....	....	72
73	Elizabeth, N. J.	114,589	7,200,701	5,663,350	4,670,000	17,534,051	709,874	..	..	..	16,824,177	12,154,177	106.06	N	N	73
74	Cambridge, Mass.	113,643	Not Reporting													74
75	New Bedford, Mass.	112,597	5,685,223	1,823,000	1,235,000	8,743,223	835,022	100	..	..	7,908,201	7,908,201	70.23	N	N	75
76	Reading, Pa.	111,171	4,040,000	7,504,500	2,512,000	14,056,500	683,368	58	36	6	13,373,132	10,903,021	98.07	409,500	N	76
77	Wichita, Kansas	111,110	4,011,638	3,019,200	N	7,030,838	N	..	..	..	7,030,838	7,030,838	63.27	1,916,736	1,916,736	77
78	Miami, Fla.[34]	110,637	28,510,695	7,398,000	1,163,000	37,071,695	1,136,038	60	35	5	35,935,657	34,829,964	314.81	498,000	498,000	78
79	Tacoma, Wash.[35]	106,817	2,497,000	1,550,000	13,119,495	17,166,495	389,400	97	N	3	16,777,095	3,668,600	34.34	1,400,719	....	79
80	Wilmington, Del.[36]	106,597	5,652,500	961,000	7,072,150	13,685,650	1,607,745	100	..	..	12,077,905	7,625,755	71.54	....	....	80
81	Knoxville, Tenn.	105,802	18,554,091	2,373,000	4,375,449	25,302,540	2,262,332	100	..	..	23,040,208	18,664,759	176.41	....	....	81
82	Peoria, Ill.	104,969	2,744,000	905,000	N	3,649,000	N	..	..	..	3,649,000	3,649,000	34.76	1,576,778	....	82
83	Canton, Ohio	104,906	4,512,710	4,997,000	810,000	10,319,710	1,816,413	58	42	..	8,503,297	7,693,297	73.33	856,906	856,906	83
84	South Bend, Ind.[37]	104,193	2,144,000	2,596,000	675,000	5,415,000	239,462	44	..	56	5,175,538	4,634,940	44.48	3,485,000	3,485,000	84
85	Somerville, Mass.	103,908	2,260,894	2,079,000	29,000	4,368,894	N	..	..	..	4,368,894	4,339,894	41.76	....	....	85
86	El Paso Texas[38]	102,421	3,761,000	2,213,000	1,964,000	7,938,000	789,153	60	27	13	7,148,847	5,286,275	51.61	497,500	N	86
87	Lynn, Mass.	102,320	3,610,600	2,101,500	452,500	6,164,600	101,261	100	..	..	6,063,339	5,610,839	54.83	....	....	87
88	Evansville, Ind.[39]	102,249	1,932,200	2,043,500	1,608,000	5,583,700	303,738	55	35	10	5,279,962	3,700,962	36.19	193,839	N	88
89	Utica, N. Y.	101,740	10,862,807	1,735,705	N	12,598,512	342,705	100	..	..	12,255,807	12,255,807	120.46	....	....	89

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[28] **Nashville.** Utility bonds include light and power, $75,000.

[29] **Long Beach.** Utility debt includes gas, $3,263,000; water debt is city's portion (8 per cent) of Metropolitan Water District.

[30] **Norfolk.** Utility debt includes port terminal, $5,461,000. General sinking fund includes school sinking fund.

[31] **Jacksonville.** Utility bonds include light and power, $1,222,500, and docks, $2,205,000. County debt of $4,336,000 not included.

[32] **Kansas City, Kansas.** Utility bonds include light and power, $2,247,000.

[33] **Spokane.** Utility bonds include golf, $72,000.

[34] **Miami.** Utility debt includes docks, $640,000.

[35] **Tacoma.** Utility debt includes light and power, $6,018,000; street railway, $343,000; garbage plant, $31,000; and port, $2,586,000.

[36] **Wilmington.** Utility debt includes harbor, $2,620,000.

[37] **South Bend.** City's share of county debt ($1,100,000) and township debt ($135,000) not included.

[38] **El Paso.** Utility debt includes sewer, $295,000, and stadium, $46,000.

[39] **Evansville.** Utility bonds include sewage revenue bonds, $883,000.

			GROSS BONDED DEBT				SINKING FUND				NET BONDED DEBT					
		Census 1930	General Improvement	Public Schools	Public Utilities	Total	Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
90	Duluth, Minn.[40]	101,463	4,936,000	3,431,000	2,070,000	10,437,000	N	..	..	..	10,437,000	8,367,000	82.46	N	N	90
91	Tampa, Fla.	101,161	Not Reporting													91
92	Gary, Ind.	100,426	2,257,297	3,347,000	N	5,604,297	46,782	100	N	N	5,557,515	5,557,515	55.34	....	....	92
93	Lowell, Mass.	100,234	3,498,400	609,000	407,000	4,514,400	N	..	..	..	4,514,400	4,107,400	40.97	N	N	93
	Group IV **Population 50,000 to 100,000**															
94	Waterbury, Conn.	99,902	9,638,000	1,490,000	6,608,000	17,736,000	150,000	100	..	..	17,586,000	10,978,000	109.88	N	N	94
95	Schenectady, N. Y.	95,692	10,476,995	1,823,000	442,000	12,741,995	113,105	97	..	3	12,628,890	12,190,502	127.39	1,248,995	1,248,995	95
96	Sacramento, Cal.[41]	93,750	3,614,810	5,862,000	3,871,500	13,348,310	N	..	..	..	13,348,310	9,476,810	101.08	890,257	890,257	96
97	Allentown, Pa.	92,563	5,050,400	4,366,000	750,000	10,166,400	882,364	38	62	..	9,284,036	8,538,124	92.24	326,800	N	97
98	Bayonne, N. J.	88,979	5,192,000	4,465,500	3,394,000	13,051,500	N	..	..	..	13,051,500	9,657,500	108.53	....	....	98
99	Wilkes-Barre, Pa.	86,626	Not Reporting													99
100	Rockford, Ill.	85,864	189,000	900,000	100,000	1,189,000	N	..	..	..	1,189,000	1,089,000	12.68	1,597,100	N	100
101	Lawrence, Mass.	85,068	2,113,615	781,500	398,000	3,293,115	N	..	..	..	3,293,115	3,293,115	38.71	N	N	101
102	Savannah, Ga.	85,024	3,595,500	690,000	175,000	4,460,500	103,500	100	..	..	4,357,000	4,182,000	49.18	48,826	N	102
103	Charlotte, N. C.	82,675	6,644,381	1,516,000	1,768,119	9,928,500	775,635	63	8	29	9,152,865	7,605,672	91.99	1,907,083	1,907,083	103
104	Berkeley, Cal.	82,109	678,978	1,592,500	7,750,000	10,021,478	239,000	..	..	100	9,782,477	2,032,478	24.75	113,523	....	104
105	Altoona, Pa.	82,054	Not Reporting													105
106	Little Rock, Ark.	81,679	Not Reporting													106
107	St. Joseph, Mo.	80,935	3,826,000	2,307,000	N	6,133,000	75,577	100	..	N	6,057,423	6,057,423	74.84	N	N	107
108	Saginaw, Mich.[42]	80,715	586,000	712,000	2,523,000	3,821,000	......	..	..	..	3,821,000	2,980,000	36.92	550,000	550,000	108
109	Harrisburg, Pa.	80,339	2,951,800	2,384,500	987,800	6,324,100	112,556	19	68	13	6,211,544	5,238,744	65.20	210,900	....	109
110	Sioux City, Ia.	79,183	2,412,000	1,709,000	25,000	4,146,000	444,365	83	17	..	3,701,635	3,676,635	46.43	N	N	110
111	Lansing, Mich.[43]	78,397	1,689,000	N	1,360,000	3,049,000	1,149,209	11	..	89	1,899,791	1,565,056	19.96	....	....	111
112	Pawtucket, R. I.	77,149	9,668,000	3,708,000	2,503,000	15,879,000	3,141,968	52	30	18	12,737,032	10,815,572	140.19	2,880,000	2,880,000	112
113	Manchester, N. H.	76,834	2,592,755	760,745	167,000	3,520,500	N	..	..	..	3,520,500	3,415,500	44.45	N	N	113
114	Binghamton, N. Y.	76,662	3,800,081	3,460,975	45,000	7,306,056	115,119	100	..	..	7,190,937	7,145,937	93.21	5,750	N	114
115	Shreveport, La.[44]	76,655	8,420,000	1,013,000	235,000	9,668,000	293,984	76	4	20	9,374,016	8,800,067	114.80	....	....	115
116	Pasadena, Cal.	76,086	Not Reporting													116
117	Lincoln, Neb.	75,933	1,007,893	3,654,500	1,815,000	6,477,393	342,887	10	N	90	6,134,506	4,627,357	60.89	546,074	546,074	117
118	Huntington, W. Va.	75,572	Not Reporting													118
119	Niagara Falls, N. Y.	75,460	7,290,750	5,567,710	1,934,130	14,792,590	480,485	..	..	100	14,312,105	12,858,460	170.40	507,774	N	119
120	Winston-Salem, N. C.	75,274	Not Reporting													120
121	East St. Louis, Ill.	74,347	Not Reporting													121
122	Troy, N. Y.	72,763	6,109,855	1,119,850	700,900	7,930,605	N	..	..	..	7,930,605	7,229,705	99.35	....	....	122
123	Quincy, Mass.	71,983	2,995,000	1,289,000	400,000	4,684,000	N	..	..	..	4,684,000	4,284,000	59.51	N	N	123
124	Springfield, Ill.[43]	71,864	112,000	518,000	3,708,000	4,338,000	88,439	..	N	100	4,249,561	630,000	8.77	356,208	N	124
125	Portland, Me.	70,810	Not Reporting													125
126	Lakewood, Ohio	70,509	1,871,275	2,816,500	141,500	4,829,275	450,371	100	N	..	4,378,904	4,237,404	60.09	56,111	56,111	126
127	Roanoke, Va.	69,206	4,207,000	2,650,000	N	6,857,000	887,436	..	..	..	5,969,564	5,969,564	86.25	N	N	127
128	Springfield, Ohio	68,743	3,941,926	1,419,000	310,000	5,670,926	253,442	93	7	..	5,417,484	5,107,484	74.29	286,000	N	128
129	Mobile, Ala.	68,202	3,049,000	990,000	1,814,000	5,853,000	1,272,959	100	..	..	4,580,041	2,766,041	40.56	4,198,500	....	129

[40] **Duluth.** Utility bonds include gas, $482,672.

[41] **Sacramento.** Utility bonds include harbor, $130,000.

[42] **Saginaw.** Utility debt is one-third self-supporting.

[43] In the following cities utility bonds include lighting for the following amount: Lansing, $784,000; Springfield, Illinois, $145,000; Glendale, $39,500; Jamestown, $90,000; High Point, $212,000; Alameda, $44,415; Sioux Falls, $50,000; Colorado Springs, $700,000; Watertown, $688,000.

[44] **Shreveport.** General bonds include water bonds which are not self-supporting (approximately, $2,500,000); Caddo Levee Board, $100,000; and P.W.A., $432,000, which is self-supporting ($398,857 net).

			GROSS BONDED DEBT				SINKING FUND				NET BONDED DEBT					
		Census 1930	General Improvement	Public Schools	Public Utilities	Total	Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
130	New Britain, Conn.[45]	68,128	1,770,000	2,920,000	1,668,000	6,358,000	735,616	20	20	60	5,622,384	4,393,681	64.49	N	N	130
131	East Orange, N. J.	68,020	8,200,500	3,826,445	664,000	12,690,945	832,101	17	57	26	11,858,844	11,412,962	167.78	522,412	522,412	131
132	Racine, Wis.	67,542	3,048,000	1,361,000	866,000	5,275,000	203,840	100	N	N	5,071,160	4,205,160	62.26	240,102	N	132
133	Johnstown, Pa.	66,993	4,338,000	4,799,000	N	9,137,000	1,065,176	80	20	..	8,071,824	8,071,824	120.48	N	N	133
134	Cicero, Ill.	66,602	Not Reporting													134
135	Atlantic City, N. J.[46]	66,198	23,185,531	3,807,000	2,500,000	29,492,531	2,624,062	58	19	23	26,868,469	24,960,145	377.05	....	....	135
136	Montgomery, Ala.	66,079	Not Reporting													136
137	Newton, Mass.	65,276	4,380,969	2,009,000	549,000	6,938,969	252,154	100	.	..	6,686,815	6,137,815	94.02	N	N	137
138	Covington, Ky.	65,252	1,375,700	1,029,000	2,334,500	4,739,200	6,663	N	100	N	4,732,537	2,398,037	36.75	N	N	138
139	Pontiac, Mich.	64,928	3,607,250	3,183,975	1,361,000	8,152,225	582,086	28	72		7,570,139	6,209,139	95.63	1,609,000	1,609,000	139
140	Hammond, Ind.	64,560	1,010,770	1,693,000	1,252,000	3,955,770	86,891	31	N	69	3,868,879	2,676,912	41.46	5,198,192	N	140
141	Topeka, Kansas	64,120	953,204	2,049,000	562,400	3,564,604	405,922	N	11	89	3,158,682	2,958,501	46.14	414,787	414,787	141
142	Oak Park, Ill.	63,982	910,000	2,413,000	N	3,323,000	527,554	N	100	N	2,795,446	2,795,446	43.69	709,917	N	142
143	Brockton, Mass.	63,797	1,205,500	130,000	848,700	2,184,200	55,000	..	..	100	2,129,200	1,335,500	20.93	....	....	143
144	Evanston, Ill.	63,338	Not Reporting													144
145	Passaic, N. J.	62,959	Not Reporting													145
146	Terre Haute, Ind.	62,810	1,067,500	940,000	N	2,007,500	67,935	22	78	N	1,939,565	1,939,565	30.85	....	....	146
147	Glendale, Calif.[43]	62,736	1,343,000	4,175,000	408,580	5,926,580	53,644	N	N	100	5,872,936	5,518,000	87.95	521,247	N	147
148	Charleston, S. C.[47]	62,265	5,241,000	457,000	5,000,000	10,698,000	1,201,759	17	1	82	9,496,241	5,487,312	88.12	....	....	148
149	Wheeling, W. Va.	61,659	927,800	351,500	1,430,000	2,709,300	15,642	67	33	..	2,693,658	2,693,658	43.68	....	....	149
150	Mount Vernon, N. Y.	61,499	7,365,200	4,663,050	2,633,000	14,661,250	1,780,110	28	N	72	12,881,140	11,528,036	187.45	N	N	150
151	Davenport, Ia.	60,751	Not Reporting													151
152	Charleston, W. Va.	60,408	Not Reporting													152
153	Augusta, Ga.	60,342	1,718,000	1,062,000	291,000	3,071,000	309,500	74	N	26	2,761,500	2,550,996	42.27	N	N	153
154	Lancaster, Pa.	59,949	4,528,000	3,696,000	N	8,224,000	847,859	10	90	..	7,376,141	7,376,141	123.04	N	N	154
155	Medford, Mass.	59,714	Not Reporting													155
156	Hoboken, N. J.	59,261	Not Reporting													156
157	Chester, Pa.	59,164	Not Reporting													157
158	Union City, N. J.	58,659	6,168,773	1,890,000	N	8,058,773	612,237	94	6	N	7,446,536	7,446,536	126.94	....	....	158
159	Malden, Mass.	58,036	Not Reporting													159
160	Madison, Wis.	57,899	2,290,000	2,217,000	339,000	4,846,000	77,011	64	36	N	4,768,989	4,618,989	79.77	391,700	....	160
161	Bethlehem, Pa.	57,892	2,268,900	3,225,000	1,014,000	6,507,900	1,263,288	41	49	10	5,244,612	4,363,112	75.36	....	....	161
162	Beaumont, Texas[48]	57,732	4,461,500	2,109,138	2,174,000	8,744,638	399,263	37	24	39	8,345,375	7,787,875	134.89	N	N	162
163	San Jose, Cal.	57,651	1,087,675	1,541,000	N	2,628,675	N	..	.	..	2,628,675	2,628,675	45.59	20,400	....	163
164	Springfield, Mo.	57,527	1,403,000	1,562,500	N	2,965,500	204,426	68	32	N	2,761,074	2,761,074	47.99	....	....	164
165	Decatur, Ill.	57,510	781,500	761,750	243,000	1,786,250	27,262	100	..	..	1,758,988	1,515,988	26.36	1,358,684	N	165
166	Irvington, N. J.	56,733	4,654,675	3,807,150	N	8,461,825	204,968	..	..	..	8,256,857	8,256,857	145.53	1,237,933	327,000	166
167	Holyoke, Mass.[49]	56,537	876,500	510,000	1,124,000	2,510,500	N	..	..	..	2,510,500	1,386,500	24.52	N	N	167
168	Hamtramck, Mich.	56,268	3,373,533	3,059,500	491,000	6,924,033	655,075	40	60	..	6,268,958	6,268,958	111.43	N	N	168
169	Cedar Rapids, Ia.[50]	56,097	1,503,400	1,713,000	1,195,000	4,411,400	293,825	N	100	N	4,117,575	2,922,575	52.09	N	N	169
170	York, Pa.	55,254	1.020,500	1,742,000	N	2,762,500	318,459	66	34	..	2,444,041	2,444,041	44.23	27,400	N	170

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[45] **New Britain.** Utility bonds include subways for electric wires, $403,000.

[46] **Atlantic City.** Outstanding debt of Atlantic City is being refunded. There have been no bond issues or retirements since January 1, 1936.

[47] **Charleston, S. C.** Utility debt includes port, $2,500,000.

[48] **Beaumont.** Utility bonds include wharf and dock, $1,498,000, and abattoir, $5,000,000.

[49] **Holyoke.** Utility bonds include lighting, $649,000, and Holyoke and Westfield R. R., $125,000.

[50] **Cedar Rapids.** Utility bonds include sewer, $510,000.

			GROSS BONDED DEBT				SINKING FUND				NET BONDED DEBT					
		Census 1930	General Improvement	Public Schools	Public Utilities	Total	Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
171	Jackson, Mich.[51]	55,187	1,643,729	1,774,924	1,631,500	5,050,153	N	..	..	..	5,050,153	3,418,653	61.94	277,000	277,000	171
172	Kalamazoo, Mich.	54,786	59,000	1,761,000	N	1,820,000	N	..	..	..	1,820,000	1,820,000	33.22	110,000	110,000	172
173	East Chicago, Ind.	54,784	Not Reporting													173
174	McKeesport, Pa.	54,632	1,712,000	1,348,000	184,000	3,244,000	277,904	49	51	..	2,966,096	2,782,096	50.92	484,115	N	174
175	New Rochelle, N. Y.	54,000	8,748,700	5,759,676	N	14,508,376	193,893	100	..	N	14,314,483	14,314,483	265.08	....	....	175
176	Macon, Ga.	53,829	805,000	1,041,000	190,000	2,036,000	N	..	..	..	2,036,000	1,846,000	34.29	N	N	176
177	Greensboro, N. C.	53,569	11,175,706	858,295	2,737,999	14,772,000	413,372	83	..	17	14,358,628	11,692,261	218.26	3,608,008	3,608,008	177
178	Austin, Texas[52]	53,120	3,214,000	1,359,000	1,978,000	6,551,000	97,481	29	..	71	6,453,519	4,544,828	85.71	N	N	178
179	Highland Park, Mich.	52,959	1,904,000	3,155,000	424,686	5,483,686	2,570,038	60	29	11	2,913,648	2,781,638	52.52	35,700	35,700	179
180	Galveston, Texas	52,938	5,479,500	1,622,000	580,500	7,682,000	666,569	76	16	8	7,015,431	5,654,397	106.81	N	N	180
181	Waco, Texas	52,848	2,760,750	1,529,700	2,069,000	6,359,450	1,247,392	57	24	19	5,112,058	3,278,657	62.03	N	N	181
182	Fresno, Calif.	52,513	Not Reporting													182
183	Hamilton, Ohio[53]	52,176	1,231,462	1,311,000	1,217,510	3,759,972	80,301	70	30	..	3,679,671	2,462,161	47.18	246,591	....	183
184	Durham, N. C.	52,037	4,509,691	1,509,217	3,652,000	9,670,908	158,400	100	N	..	9,512,508	5,860,508	112.62	2,068,435	1,325,343	184
185	Columbia, S. C.	51,581	Not Reporting													185
186	Cleveland Heights, O.	50,945	1,159,199	5,767,500	N	6,926,699	1,071,571	57	43	N	5,855,128	5,855,128	114.93	1,068,417	....	186
187	Port Arthur, Texas[54]	50,902	3,895,100	1,949,000	1,010,000	6,854,100	469,698	47	42	11	6,384,402	3,888,225	76.39	N	N	187
188	Dearborn, Mich.	50,358	10,391,000	6,612,060	2,286,000	19,289,060	4,340,358	80	4	16	14,948,702	13,350,469	265.11	646,000	646,000	188
189	Kenosha, Wis.	50,262	435,000	2,544,000	55,000	3,034,000	N	..	..	..	3,034,000	2,979,000	59.26	393,848	N	189
190	Asheville, N. C.	50,193	Not Reporting													190
191	Pueblo, Colo.	50,096	589,000	1,379,000	1,130,000	3,098,000	28,425	50	50	..	3,069,575	1,939,575	38.71	919,000	....	191
	Group V **Population 30,000 to 50,000**															
192	Pittsfield, Mass.	49,677	680,000	796,000	296,000	1,772,000	N	..	..	..	1,772,000	1,476,000	29.71	....	....	192
193	Woonsocket, R. I.	49,376	5,317,000	1,060,000	815,000	7,192,000	1,257,892	91	9	..	5,934,108	5,119,108	103.67	N	N	193
194	Haverhill, Mass.	48,710	1,071,000	110,000	125,000	1,306,000	22,000	100	..	..	1,284,000	1,159,000	23.79	....	....	194
195	New Castle, Pa.	48,674	986,000	2,165,000	N	3,151,000	201,284	97	3	N	2,949,716	2,949,716	60.60	121,453	121,453	195
196	Everett, Mass.	48,424	834,400	885,000	89,000	1,808,400	81,239	100	..	..	1,727,161	1,638,161	33.82	....	....	196
197	Jackson, Miss.	48,282	4,205,380	540,000	743,400	5,488,780	15,101	100	..	..	5,473,679	4,730,279	97.97	382,000	N	197
198	Phoenix, Ariz.	48,118	Not Reporting													198
199	Stockton, Cal.	47,963	5,522,875	670,000	N	6,192,875	N	..	..	..	6,192,875	6,192,875	129.11	80,324	....	199
200	Brookline, Mass.	47,490	508,000	826,000	308,000	1,642,000	N	..	..	..	1,642,000	1,334,000	28.09	....	....	200
201	Elmira, N. Y.	47,397	1,990,900	630,000	540,000	3,160,900	N	..	..	..	3,160,900	2,620,900	55.29	N	N	201
202	Bay City, Mich.	47,355	375,000	688,600	1,489,000	2,552,600	358,681	69	13	18	2,193,919	768,709	16.23	36,500	36,500	202
203	Berwyn, Ill.	47,027	Not Reporting													203
204	Clifton, N. J.	46,875	5,654,300	2,362,000	4,557,000	12,573,300	235,034	81	19	..	12,338,266	7,781,266	166.00	....	....	204
205	Aurora, Ill.	46,589	Not Reporting													205
206	Muncie, Ind.	46,548	Not Reporting													206
207	Stamford, Conn.	46,346	5,217,000	2,495,500	N	7,712,500	812,839	67	33	..	6,899,661	6,899,661	148.87	N	N	207
208	Waterloo, Ia.	46,191	Not Reporting													208
209	Chelsea, Mass.	45,816	1,652,600	442,500	30,000	2,125,100	362,795	100	N	N	1,762,305	1,732,305	37.81	N	N	209
210	Lexington, Ky.	45,736	2,216,500	900,000*	N	3,116,500	400,314	100	N	N	2,716,186	2,716,186	59.38	68,761	N	210
211	Williamsport, Pa.	45,729	867,200	1,227,900	N	2,095,100	436,418	45	55	..	1,658,682	1,658,682	36.27	....	....	211
212	Portsmouth, Va.	45,704	5,333,000	704,000	2,975,000	9,012,000	2,328,129	35	..	65	6,683,871	5,227,486	114.37	N	N	212
213	Jamestown, N. Y.[43]	45,155	972,502	2,213,000	515,000	3,700,502	87,357	..	..	100	3,613,145	3,185,502	70.54	3,920,144	3,920,144	213

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[51] **Jackson.** Utility bonds include sewage disposal, $628,000.

[52] **Austin.** Utility bonds include sewer, $598,000; and water, electric, and sewer revenue bonds, $771,000.

[53] **Hamilton.** Utility bonds include lighting $366,500, and gas, $118,010.

[54] **Port Arthur.** Utility bonds include sewer, $216,500. General debt includes Seawall bonds, $1,669,000, paid from remission of eight-ninths of state ad valorem taxes.

			GROSS BONDED DEBT				SINKING FUND				NET BONDED DEBT					
		Census 1930	General Improvement	Public Schools	Public Utilities	Total	Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
214	Lorain, Ohio	44,512	1,049,007	786,000	201,000	2,036,007	12,642	24	N	76	2,023,365	1,832,007	41.15	446,694	N	214
215	Chicopee, Mass.	43,930	763,000	97,500	328,500	1,189,000	N	..	..	..	1,189,000	860,500	19.58	N	N	215
216	Wichita Falls, Texas	43,690	3,389,500	2,055,000	N	5,444,500	444,212	..	..	..	5,000,288	5,000,288	114.44	....	....	216
217	Battle Creek, Mich.[55]	43,573	1,053,000	1,094,500	399,000	2,546,500	N	..	..	..	2,546,500	2,147,500	49.28	....	....	217
218	Perth Amboy, N. J.	43,516	Not Reporting													218
219	Salem, Mass.	43,353	805,500	305,500	419,500	1,530,500	N	..	..	..	1,530,500	1,111,000	25.62	N	N	219
220	Amarillo, Texas	43,132	3,363,687	1,872,500	2,186,239	7,422,426	505,347	56	42	2	6,917,079	4,742,905	109.96	N	N	220
221	Columbus, Ga.	43,131	1,870,900	668,200	120,000	2,659,100	75,790	100	N	N	2,583,310	2,463,310	57.11	35,700	35,700	221
222	Joliet, Ill.	42,993	879,000	2,076,000	90,000	3,045,000	N	..	..	..	3,045,000	2,955,000	68.73	905,379	....	222
223	Cranston, R. I.	42,911	1,355,500	2,533,000	N	3,888,500	352,357	..	..	..	3,536,143	3,536,143	82.40	....	....	223
224	Portsmouth, Ohio	42,560	Not Reporting													224
225	Lima, Ohio	42,287	3,379,600	561,000	552,000	4,492,600	6,000	33	N	67	4,486,600	3,938,600	93.13	36,165	....	225
226	Council Bluffs, Ia.	42,048	1,752,000	585,000	100,000	2,437,000	108,943	82	N	18	2,328,057	2,248,057	53.46	104,539	N	226
227	Montclair, N. J.	42,017	Not Reporting													227
228	Dubuque, Ia.[56]	41,679	1,190,063	735,000	502,000	2,427,063	422,038	7	40	53	2,005,025	1,962,486	47.08	268,800	....	228
229	Muskegon, Mich.[57]	41,390	2,082,000	2,396,430	953,000	5,431,430	282,500	39	N	61	5,148,930	4,366,990	105.50	370,250	219,500	229
230	Warren, Ohio	41,062	1,322,900	1,413,300	450,000	3,186,200	351,690	7	12	81	2,834,510	2,670,510	65.04	257,100	257,100	230
231	Kearny, N. J.	40,716	Not Reporting													231
232	Fitchburg, Mass.	40,692	2,173,900	200,000*	390,500	2,764,400	N	..	..	..	2,764,400	2,373,900	58.33	N	N	232
233	Lynchburg, Va.	40,661	2,165,485	938,374	3,239,458	6,343,317	1,550,192	48	..	52	4,793,125	2,353,667	57.88	N	N	233
234	St. Petersburg, Fla.[58]	40,425	6,829,600	2,501,882	4,321,000	13,652,482	1,950,461	98	2	..	11,702,021	11,702,021	289.47	10,169	10,169	234
235	Poughkeepsie, N. Y.	40,288	2,698,000	1,323,150	410,000	4,431,150	19,532	66	34	..	4,411,618	4,001,618	99.32	591,942	454,834	235
236	Ogden, Utah	40,272	1,635,000	1,235,500	1,543,500	4,414,000	177,861	46	15	39	4,236,139	2,760,950	68.56	96,722	N	236
237	Oskosh, Wis.[59]	40,108	663,000	573,000	503,000	1,739,000	N	..	..	..	1,739,000	1,236,000	30.81	N	N	237
238	Anderson, Ind.	39,804	400,201	658,500	150,000	1,208,701	N	..	..	..	1,208,701	1,058,701	26.60	194,564	N	238
239	East Cleveland, Ohio	39,667	954,000	2,042,000	N	2,996,000	533,369	55	45	N	2,462,631	2,462,631	62.08	218,220	218,220	239
240	LaCrosse, Wis.	39,614	556,000	341,000	42,000	939,000	3,500	100	..	..	935,500	893,500	22.55	85,400	....	240
241	Butte, Mont.	39,532	Not Reporting													241
242	Sheboygan, Wis.	39,251	825,000	628,000	174,000	1,627,000	N	..	..	..	1,627,000	1,453,000	37.01	31,099	N	242
243	Waltham, Mass.	39,247	Not Reporting													243
244	Quincy, Ill.	39,241	N	913,000	75,000	988,000	40,927	N	100	N	947,073	872,073	22.22	363,355	N	244
245	Meriden, Conn.	38,481	699,000	1,041,000	180,000	1,920,000	70,404	100	..	..	1,849,596	1,840,000	47.81	....	....	245
246	Bloomfield, N. J.	38,077	2,303,000	2,345,500	1,196,500	5,845,000	38,398	58	N	42	5,806,602	4,626,102	121.49	243,000	45,603	246
247	Rock Island, Ill.[60]	37,953	N	1,091,000	264,000	1,355,000	39,847	N	N	100	1,315,153	1,091,000	28.74	245,298	....	247
248	Cumberland, Md.	37,747	Not Reporting													248
249	San Bernardino, Cal.	37,481	657,167	1,588,000	232,925	2,478,092	200,602	15	79	6	2,277,490	2,056,020	54.85	N	N	249
250	Green Bay, Wis.	37,415	386,100	920,500	824,000	2,130,600	24,000	N	N	100	2,106,600	1,306,600	34.92	....	....	250
251	Raleigh, N. C.	37,379	Not Reporting													251
252	Taunton, Mass.	37,355	Not Reporting													252
253	Santa Monica, Cal.	37,146	1,976,500	1,910,000	1,118,000	5,004,500	278,227	40	37	23	4,726,273	3,671,158	98.83	538,668	N	253
254	West New York, N. J.	37,107	Not Reporting													254
255	Hazleton, Pa.	36,765	1,863,000	1,323,000	N	3,186,000	68,396	47	53	N	3,117,604	3,117,604	84.80	N	N	255
256	Danville, Ill.	36,765	Not Reporting													256
257	High Point, N. C.[43]	36,745	3,206,782	1,901,000	2,521,000	7,628,782	554,088	..	..	..	7,074,694	4,553,694	123.92	4,202,000	1,492,708	257

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[55] **Battle Creek.** Utility debt is sewer.

[56] **Dubuque.** Utility debt includes dock, $270,000.

[57] **Muskegon.** Utility debt includes sewage disposal, $384,000.

[58] **St. Petersburg.** Utility debt includes power plant, $535,000; street railway, $1,162,000; and gas, $1,038,000.

[59] **Oshkosh.** Utility debt is sanitary sewer and treatment.

[60] **Rock Island.** Utility debt is River and Rail Terminal.

			GROSS BONDED DEBT				SINKING FUND				NET BONDED DEBT					
		Census 1930	General Improvement	Public Schools	Public Utilities	Total	Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
258	Auburn, N. Y.	36,652	1,930,945	613,365	279,000	2,823,310	16,513	..	..	100	2,806,797	2,544,310	69.41	114,208	114,208	258
259	Zanesville, Ohio	36,440	361,121	551,725	190,000	1,102,846	190,054	14	86	..	912,792	722,792	19.83	67,883	N	259
260	Superior, Wis.	36,113	795,465	1,363,100	N	2,158,565	N	..	..	..	2,158,565	2,158,565	59.77	....	....	260
261	Arlington, Mass.	36,094	218,500	695,000	108,000	1,021,500	54,499	100	..	..	967,001	859,001	23.79	....	....	261
262	Norwalk, Conn.	36,019	2,306,000	1,423,000	1,125,000	4,854,000	398,991	69	..	31	4,455,009	3,452,724	95.85	N	N	262
263	Elgin, Ill.	35,929	771,000	179,000	173,000	1,123,000	23,348	19	N	81	1,099,652	950,000	26.44	481,907	N	263
264	Norristown, Pa.	35,853	955,000	1,100,000	N	2,055,000	348,902	31	69	..	1,706,098	1,706,098	47.58	....	....	264
265	White Plains, N. Y.	35,830	6,408,306	6,893,000	1,661,000	14,962,306	904,767	61	25	14	14,057,539	12,521,658	349.47	....	....	265
266	Revere, Mass.	35,680	678,000	678,500	160,000	1,516,500	N	..	..	..	1,516,500	1,356,500	38.01	....	....	266
267	Steubenville, Ohio	35,422	446,610	503,750	59,000	1,009,360	33,938	100	..	..	975,422	916,422	25.87	130,950	....	267
268	Orange, N. J.	35,399	Not Reporting													268
269	Alameda, Cal.[43]	35,033	163,447	1,174,078	1,285,975	2,623,500	N	..	..	..	2,623,500	1,382,000	39.44	91,088	91,088	269
270	Lewiston, Me.	34,948	596,500	440,000	325,500	1,362,000	N	..	..	..	1,362,000	1,037,500	29.68	....	....	270
271	Watertown, Mass.	34,913	466,000	818,000	7,000	1,291,000	N	..	..	..	1,291,000	1,291,000	36.98	N	N	271
272	Amsterdam, N. Y.	34,817	842,900	1,877,750	70,000	2,790,650	52,758	N	38	62	2,737,892	2,700,611	77.57	....	....	272
273	West Allis, Wis.	34,671	992,000	969,000	276,000	2,237,000	N	..	..	..	2,237,000	2,237,000	64.52	680,838	N	273
274	New Brunswick, N. J.[61]	34,555	3,185,500	1,148,000	1,337,000	5,670,000	N	..	..	..	5,670,000	4,548,000	131.61	73,000	73,000	274
275	Easton, Pa.	34,468	Not Reporting													275
276	Plainfield, N. J.	34,422	3,003,000	1,670,000	N	4,673,000	155,919	50	50	..	4,517,081	4,517,081	131.22	136,000	N	276
277	Newport News, Va.	34,417	2,530,500	1,150,500	3,061,000	6,742,000	1,017,132	100	..	N	5,724,868	2,663,868	77.39	....	....	277
278	Santa Barbara, Cal.	33,613	1,231,225	1,250,000*	778,250	3,259,475	105,206	69	..	31	3,154,269	2,408,150	71.64	N	N	278
279	Paducah, Ky.	33,541	1,483,000	150,500	2,246,000	3,879,500	98,457	50	21	29	3,781,043	1,563,311	46.60	....	....	279
280	Mansfield, Ohio	33,525	713,550	688,110	78,000	1,479,660	65,089	100	N	..	1,414,571	1,336,571	39.86	39,800	....	280
281	Joplin, Mo.	33,454	337,000	900,000	N	1,237,000	50,805	100	N	N	1,186,195	1,186,195	35.46	N	N	281
282	Waukegan, Ill.	33,499	Not Reporting													282
283	Norwood, Ohio	33,411	623,001	950,000	130,502	1,703,503	211,685	100	N	N	1,491,818	1,361,316	40.74	14,444	N	283
284	Sioux Falls, S. Dak.[43]	33,362	906,000	1,800,000	150,000	2,856,000	1,200,594	8	88	4	1,655,406	1,548,552	46.41	....	....	284
285	Colorado Springs, Colo.[43]	33,237	580,000	600,000	2,307,000	3,487,000	814,825	N	N	100	2,672,175	1,180,000	35.50	75,000	N	285
286	Elkhart, Ind.	32,949	71,000	625,000	1,153,000	1,849,000	116,069	5	..	95	1,732,931	690,379	20.95	209,950	N	286
287	Kokomo, Ind.	32,843	219,000	425,000	N	644,000	N	..	..	..	644,000	644,000	19.60	....	....	287
288	Laredo, Texas	32,618	800,000	646,000	N	1,446,000	179,555	67	33	N	1,266,445	1,266,445	38.82	11,861	11,861	288
289	Tucson, Ariz.	32,506	1,532,000	1,239,000	889,000	3,660,000	913,820	56	11	33	2,746,180	2,155,867	66.32	340,894	....	289
290	Richmond, Ind.	32,493	504,500	380,000	N	884,500	6,320	100	N	..	878,180	878,180	27.02	....	....	290
291	Rome, N. Y.[62]	32,338	888,700	656,000	300,000	1,844,700	N	..	..	..	1,844,700	1,544,700	47.76	6,000	6,000	291
292	Wilmington, N. C.	32,270	Not Reporting													292
293	Moline, Ill.	32,236	304,000	443,000	336,000	1,083,000	N	..	..	..	1,083,000	665,000	20.62	354,770	124,900	293
294	Watertown, N. Y.[43]	32,205	1,999,573	1,118,500	688,000	3,806,073	239,680	77	23	..	3,566,393	2,878,393	89.37	38,605	N	294
295	Muskogee, Okla.[63]	32,026	1,345,093	415,637	212,000	1,972,730	829,002	86	..	14	1,143,728	1,049,103	32.76	430,230	N	295
296	Meridian, Miss.	31,954	1,696,054	912,211	370,000	2,978,265	3,252	87	13	..	2,975,013	2,605,013	81.52	149,905	....	296
297	Pensacola, Fla.	31,579	2,665,355	456,000	105,000	3,226,355	417,644	89	9	2	2,808,711	2,712,834	85.90	45,500	45,500	297
298	Nashua, N. H.	31,463	1,013,000	518,000	N	1,531,000	57,940	..	..	..	1,473,060	1,473,060	46.81	....	....	298
299	Fort Smith, Ark.	31,429	325,000	938,500	1,250,000	2,513,500	122,813	20	N	80	2,390,687	1,238,809	39.41	681,000	N	299
300	Port Huron, Mich.	31,361	1,147,437	410,000	112,000	1,669,437	61,475	100	N	N	1,607,962	1,495,962	47.70	78,896	78,896	300
301	Newburgh, N. Y.	31,275	1,041,537	1,802,408	593,731	3,437,676	17,026	..	100	..	3,420,650	2,826,919	90.38	112,668	97,000	301
302	Marion, Ohio	31,084	Not Reporting													302
303	Bloomington, Ill.	30,930	Not Reporting													303

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[61] **New Brunswick.** Utility debt includes dock, $215,000.

[62] **Rome.** Utility debt includes sewage disposal, $210,000.

[63] **Muskogee.** School debt is net debt.

			GROSS BONDED DEBT				SINKING FUND				NET BONDED DEBT					
		Census 1930	General Improvement	Public Schools	Public Utilities	Total	Total	Gen'l Improvement (per cent)	Public School (per cent)	Public Utility (per cent)	Total	Excluding Self-supporting	Per Capita Excluding S. S.	Total Gross Special Assessments	Total Special Assessments, General Obligation	
304	Hagerstown, Md.[64]	30,861	275,000	1,289,000	4,782,000	6,346,000	N	..	..	..	6,346,000	6,019,000	195.04	N	N	304
305	Bellingham, Wash.[65]	30,823	439,000	500,000	434,000	1,373,000	88,683	77	N	23	1,284,317	870,859	28.25	....	....	305
306	Baton Rouge, La.	30,729	Not Reporting													306
307	Newark, Ohio	30,596	679,700	679,000	228,000	1,586,700	67,271	..	..	..	1,519,429	1,291,429	42.20	151,700	151,700	307
308	Everett, Wash.	30,567	950,000	334,000	2,265,000	3,549,000	1,009,361	3	3	94	2,539,639	1,220,440	39.93	201,754	....	308
309	Santa Ana, Cal.	30,322	510,050	1,993,000	134,730	2,637,780	139,387	20	69	11	2,498,393	2,378,511	78.44	882,901	N	309
310	Alton, Ill.	30,151	Not Reporting													310
Canadian Cities																
1	Montreal, Que.[66]	818,577	173,912,009	34,730,000	55,270,633	263,912,642	43,392,814	86	14	..	220,519,828	165,249,195	201.87	44,085,036	....	1
2	Toronto, Ont.	626,674	Not Reporting													2
3	Vancouver, B. C.	246,593	42,386,242	10,370,176	6,005,258	58,761,676	19,384,614	74	16	10	39,377,062	35,235,832	142.89	7,739,650	1,387,318	3
4	Winnipeg, Man.[67]	218,785	11,885,742	8,250,000	37,603,054	57,738,796	27,384,632	23	14	63	30,354,164	9,926,483	45.37	7,038,844	....	4
5	Hamilton, Ont.[68]	153,507	16,108,273	4,129,785	6,762,789	27,000,847	613,986	2	..	98	26,386,861	20,226,790	131.76	2,743,954	1,429,526	5
6	Quebec, Que.	130,594	Not Reporting													6
7	Ottawa, Ont.[69]	126,872	11,516,984	3,647,097	6,393,489	21,557,570	5,105,087	30	22	48	16,452,483	12,503,872	98.56	2,513,919	1,135,837	7
8	Calgary, Alta.[70]	83,761	8,737,047	2,341,700	10,958,447	22,037,194	10,167,024	36	N	64	11,870,170	7,467,089	89.14	2,790,295	1,024,847	8
9	Edmonton, Alta.[71]	79,197	22,718,581	3,818,685	7,225,104	33,762,370	11,625,410	73	7	20	22,136,960	17,280,084	218.19	2,930,198	N	9
10	London, Ont.[72]	71,148	5,140,708	2,494,480	3,823,595	11,458,783	2,599,927	..	..	..	8,858,856	7,106,052	99.88	877,586	232,250	10
11	Windsor, Ont.	63,108	Not Reporting													11
12	Verdun, Que.[73]	60,745	8,044,700	1,700,000*	100,000	9,844,700	1,912,764	91	8*	1	7,734,487	7,840,250	129.06	6,385,936	1,747,200	12
13	Halifax, N. S.	59,275	Not Reporting													13
14	Regina, Sask.[74]	53,209	6,509,092	2,510,746	7,093,263	16,113,101	7,449,358	44	9	47	8,663,743	5,049,458	94.89	3,855,528	1,447,657	14
15	St. John, N. B.	47,514	Not Reporting													15
16	Saskatoon, Sask.[75]	43,291	6,467,546	2,841,770	4,484,879	13,794,195	5,319,768	40	12	48	8,474,427	6,567,720	151.71	2,661,731	922,111	16
17	Victoria, B. C.	39,082	11,470,664	837,700	3,704,239	16,012,603	4,339,648	61	18	21	11,672,955	8,905,380	227.86	....	....	17
18	Three Rivers, Que.	34,450	Not Reporting													18

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[64] **Hagerstown.** Utility debt includes light and power, $327,000 and sewer, $2,030,000. Only light and power is self-supporting.

[65] **Bellingham.** Utility debt includes port, $204,000.

[66] **Montreal.** Utility debt includes underground conduits, $6,150,000.

[67] **Winnipeg.** Utility debt includes hydro-electric, $25,502,000; steam heating, $1,500,000; housing, $2,150,000; and others, $3,218,855.

[68] **Hamilton.** Utility debt includes hydro-electric, $2,408,756.

[69] **Ottawa.** Utility debt includes hydro-electric, $651,559.

[70] **Calgary.** General bonds include hospitals, $295,095. Utility bonds include electric, $2,927,872, and street railway, $2,855,644.

[71] **Edmonton.** Utility bonds include electric, $1,837,836; street railway, $964,041; and telephone, $1,078,821.

[72] **London.** Utility bonds include electric, $860,857; radial railway, $1,815,874 (not self-supporting); and housing, $254,917 (not self-supporting).

[73] **Verdun.** Utility bonds are housing.

[74] **Regina.** Utility bonds include electric, $2,564,546; street railway, $2,008,018; and air harbor, $100,000.

[75] **Saskatoon.** Utility bonds include electric, $1,923,147; and street railway, $1,314,536.

RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmsted

Home Rule Gains in New York.—The New York legislature of 1937 has just granted a significant extension of home rule to cities. Hitherto the voters of New York cities have been powerless to amend their city charters without getting the help of the city legislative body or the state legislature, the chief exception being the right of the smaller cities (Syracuse and under) to adopt one of seven specific forms of government under the optional city government law by petition and popular vote. New York City gained additional powers of amendment by petition and popular vote under its new city charter adopted last fall. Now, under chapter 479 of this year's laws, any city may amend its charter by petition and popular vote and by this means may adopt any charter provisions which lie within the broad scope of charter-making powers under the city home rule amendment to the constitution and the city home rule law.

The bill was introduced as a result of the state conference on legislation held at Union College, Schenectady, last July under the auspices of the New York State Committee of the National Municipal League with the coöperation of the Schenectady Bureau of Municipal Research and the New York Citizens Union. In its final form the bill also had the backing of the New York State Conference of Mayors and Other Officials.

It was introduced by Assemblyman Harold Armstrong and Senator Edwin E. Miller of Schenectady and Senator Thomas C. Desmond of Newburgh. It passed the assembly unanimously and the senate with only six dissenting votes.

The bill provides that 10 per cent of the number who voted last for governor within a city may place a charter amendment before the city's legislative body. The latter may then take such action as it sees fit, but if it does not satisfy the petitioners a supplemental 5 per cent petition with new signatures, filed between two and four months after the original petition, can force the original amendment onto the ballot at a general election. This procedure gives a city council a chance to correct errors in draftsmanship or suggest more constructive solutions to municipal problems without giving it power to block finally any charter change for which there is a substantial demand.

This new law gives New York home rule machinery for cities comparable to that of Ohio, Michigan, California, and other home rule states and opens the way for such modernization of city government as Cincinnati, Toledo, and other well governed cities have recently enjoyed.

G. H. H., Jr.

Council-Manager Plan Developments.—Greenbelt, Maryland, is the first of the federal resettlement communities to go under a council-manager charter. The charter of the Maryland settlement, which is near Washington, D. C., has been approved by the state legislature, bringing the score of new council-manager cities since January 1st to five, the International City Managers' Association reports. The present total is 460 municipalities and 7 counties.

The other four communities are Middlebury, Vermont, population 2,003; Moultrie, Georgia, 6,789; Alameda, California, 35,033; and Orange, Virginia, 1,078. Alameda, which adopted the manager plan originally in 1917, seventeen years later placed under separate boards or commissions the control over certain departments previously under the manager, hence lost its council-manager standing. In April 1937 Alameda returned to the manager plan by adopting a new charter. In addition, Maine's legislature since January 1st enacted council-manager charters for the towns of Bridgton, Dover-Foxcroft, Fort Kent, Milo, Norway, and Old Orchard Beach. If these charters are approved by the annual town meetings, the number of council-manager governments in Maine will be twenty-three.

Legislation enabling cities to adopt manager charters is under consideration in Florida, Massachusetts, Missouri, and Pennsylvania. Governor George H. Earle of Pennsylvania and the legislature have appointed a fifteen-member commission to draft a new charter for Philadelphia under its proposed city and county consolidation amendment (see page 316). Movements for the plan are also under way in Ogden, Utah; Leominster and Springfield, Massachusetts; Marion, Virginia; Ashland and Columbus, Ohio; Rochester, New Hampshire; Edna, Texas; Clinton and Fort Dodge, Iowa; Columbia, Tennessee; Tulsa, Oklahoma; Plainfield, New Jersey; and Raleigh, North Carolina. The smallest of these cities is Edna, Texas, population 1,735; the largest Columbus, Ohio, population 290,564.

Morristown, New Jersey, population 15,197, on May 11th voted down for the second time in three years a proposal for council-manager government, to replace the present aldermanic form.

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Montreal Charter Revision.—The Montreal Citizens' Committee announces that the Quebec provincial government has agreed to a commission of inquiry to rewrite in its simplest form the Montreal city charter and to report upon a new form of administration for that city.

*

Merit System Adoptions in 1937 May Set Record.—An all-time record for the adoption of civil service and merit system provisions for state and local governments may result in 1937 if the current rate of progress continues, according to reports received by the Civil Service Assembly of the United States and Canada. Among the states, Maine and Connecticut have just acted.

Maine has provided for an improved system as to governmental employees by creating a state personnel board and a director of personnel for the classified service. Hereafter, appointments to and promotions in that service, affecting some three thousand employees, are to be made from eligible lists prepared on the basis of examinations. The new law provides also for training employees after they are in service.

In Connecticut Governor Wilbur L. Cross has just signed a bill putting nearly all the state's seven thousand employees under the merit system. The measure will go into effect immediately. This is the second time that Connecticut has gone under civil service regulation. Its previous act, in force for eight years, was repealed in 1921 by a vote of the legislature.

The addition of Maine and Connecticut brings the list of civil service states up to a total of thirteen, and the list for this year up to four, Tennessee and Arkansas having taken similar action earlier.

At the county level, employees of Montgomery County, Maryland, which contains several suburbs of the nation's capital, will in the future be subject to rules and regulations of the employment commissioner of the state. This is the first county in the state to take advantage of the personnel services available to local jurisdictions since passage of a merit system law in 1920. Little effort has been made, in general, to extend to the more than three hundred thousand county employees in the country any of the modern methods of personnel administration. Only eight counties have their own machinery for personnel control.

South Dakota has authorized the establishment of civil service in all cities in all departments of government. Kansas and North Dakota have legislated similar measures for their larger cities. West Virginia cities of five thousand and over, and all Washington cities, have received legislative permission to put their police departments under civil service. Monroe, Michigan, voted in spring elections to do likewise. Knoxville, Tennessee, Wheeling, West Virginia, and Tucson, Arizona, are other cities that will soon have civil service for most of their employees. Los Angeles has become the first major city in the United States to place important department heads under civil service, including the city engineer, health officer, police and fire chiefs, and general managers of several departments.

*

Centralized Purchasing Spreads.—Centralized purchasing of supplies for governmental units, "the sentry at the tax exit gate," is reported as in effect, in one form or another, at the beginning of the current year, in 250 American cities, 50 counties, 36 states, and 22 Canadian cities and provinces. The principle involved has the approval of virtually every student of public finance; more whole-hearted approval, perhaps, than is given to any other of the so-called economy practices born of the depression.

Leagues of municipalities in several states, notably Iowa, Kentucky, Michigan, Nebraska, North Carolina, Oregon, South Dakota, Texas, Virginia, and Wisconsin, have aided the trend toward centralized purchasing.

The Utah State Municipal League is considering a plan whereby all municipalities would do their buying through a central state agency. It is believed that this plan, if carried out, will be the first experiment of the kind in the United States.

*

Jury Service for Women Extended.—With the enaction of laws by two more states—Connecticut and New York—permitting women to serve on juries, twenty-three states, the District of Columbia, and Alaska now grant women the right to jury service. A proposal for such action has also been approved by the Illinois house of representatives, and bills are pending in Florida and Massachusetts, according to the Council of State Governments.

Connecticut has aligned itself with the eight states that make jury service compulsory with women as well as with men. The others are California, Indiana, Iowa, Maine, Michigan, New Jersey, Ohio, and Pennsylvania.

The New York act just approved by Governor Herbert H. Lehman gives women the privilege of declining a jury call if they wish. (In New York a mandatory bill had previously been defeated by the senate.) The Illinois bill has many exemptions, added by its opponents, so that all "mothers, girls under twenty-five years of age, school teachers, expectant mothers, and those who have the care of children and of sick or infirm," would be excluded.

States that permit women to make their choice between serving or not serving are Arkansas, Delaware, Kansas, Kentucky, Louisiana, Minnesota, Nevada, New York, North Dakota, Oregon, Rhode Island, Utah, Washington, Wisconsin, the District of Columbia, and Alaska. Statutes in North Carolina and Vermont are not explicit and have not yet had judicial interpretation. North Carolina refers to jury eligibles as "persons" and Vermont employs the term "legal voters."

The first state to enable jury service on the part of women was Michigan, which made the pioneering step in 1915. Maine and Utah were among other states early to grant the privilege. Colorado, one of the first states to grant women suffrage, only last November voted down a referred proposal on woman jury service. Before the current action on the subject, it has been ten years since any state swung over to authorizing women jurors.

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Housing Authorities Organize.—Representatives of a number of local and state housing authorities met in Washington on April 30th and organized the American Federation of Housing Authorities. The purpose was declared to be to furnish a common means through which state and local public housing agencies may give effective expression to their views and purposes—supplementing but not duplicating the work of the National Association of Housing Officials. Langdon Post, chairman of the New York City Housing Authority, was elected president.

*

University of Southern California Holds Governmental Institute.—The ninth annual institute of government of the University of Southern California will meet June 14th to 18th at Los Angeles under the direction of Dr. W. Ballentine Henley, acting dean of the university's school of government. Lectures and round-table discussions of a wide variety of subjects, mostly of a very practical nature, will take place.

*

American Library Association Meeting.—The fifty-ninth annual conference of the American Library Association takes place at the Waldorf-Astoria Hotel, New York City, June 21st to 26th, in conjunction with meetings of the National Association of State Libraries and other national library associations. The combined membership is over 17,000.

*

Archivists Form National Association.—The newly organized Society of American Archivists will hold its first annual meeting in Washington, D. C., June 18th and 19th. Among the primary objectives of the society are the proper preservation of official records and efficacious means of making them available to public officials and to research investigators. The officers are A. R. Newsome, of the University of North Carolina, president; Margaret C. Norton, of the Illinois State Archives, vice-president; Philip C. Brooks of the National Archives, secretary; and Julian P. Boyd, of the Historical Society of Pennsylvania, treasurer.

PHILIP C. BROOKS, *Secretary*
Society of American Archivists

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Schools, Courses, and Tours for Community Planning.—The Harvard graduate school of city planning has been reorganized as the department of regional planning, coördinate with the departments of architecture and landscape architecture, in the Harvard graduate school of design. Henry V. Hubbard is chairman of the new department. It is intended that students in regional planning shall have access to instruction in engineering, as a field of physical planning, and also to instruction in economics, government, sociology, etc., as dealing with the social-economic aspects of planning.

A summer conference on planning will be held at Harvard University, in Cambridge, Massachusetts, from June 14th to July 10th, under the joint auspices of the Harvard graduate school of design and the school of architecture of Massachusetts Institute of Technology.

A summer session in housing, community planning, and low-rent housing management will be held by the school of architecture and allied arts, New York University, at the Bryant Park Center in New York City, June 14th to July 28th. Immediately following there will be a European study tour of seven weeks, visiting housing enterprises in six countries of northern and western Europe. Dr. Carol Aronovici, assisted by Dr. Dorothy Schaffter, associate professor of political science at Vassar College, will be in charge of both projects.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Tennessee Paves the Way for the County Manager Plan.—Tennessee is one of the three states which have preserved the forms of seventeenth century English local government in that the justices of the peace act as an administrative board for the conduct of county affairs. In Tennessee this has meant that the county governing body (quarterly court) may be composed of as many as fifty-two members, elected from districts within the county which may number up to twenty-five. The unsoundness of this plan of county management is obvious, and in Kentucky, where the justices of the peace are also the county administrators, the constitution permits any county to adopt as an alternative plan a county commission of three members elected at large. Twelve Kentucky counties have accepted this plan, and these include the counties which contain the seven largest cities in the state.

It is just now being realized that Tennessee counties can adopt a similar county commission plan under the present state constitution. The quarterly court system is assumed by the constitution, but actually that document confers upon the court only a few unimportant duties. As early as 1911 Shelby County, containing the city of Memphis, secured a local act setting up a three-man commission which took over substantially all the powers of the quarterly court except the levying of taxes and the court's few constitutional duties. This act was upheld by the state supreme court.[1]

The same device of setting up a county commission alongside an emasculated quarterly court has recently been used in local acts for Moore and Knox Counties. The Knox County act went further than the Shelby County plan, chiefly because it was made mandatory upon the quarterly court to levy taxes sufficient to finance the budget adopted by the commission. The act was immediately tested in the courts, and on May 8, 1937, was upheld by the state supreme court. Thus it is now clear that any Tennessee county can take from its quarterly court all substantial powers of county administration and turn them over to a small commission elected at large.

Perhaps the most important meaning of this development is that it appears to open the way for the county manager plan of government in Tennessee, since an essential feature of the plan is a small elected council or commission serving as the county legislative body. Hamilton County is already prepared to take advantage of this turn of events. A bill has been drafted by interested Chattanooga citizens which would strip their quarterly court of its administrative, legislative, and appointive powers, and provide for a five-man commission which would appoint the county manager. The bill also includes provisions for compulsory civil service, centralized purchasing, annual audit, and strict budgetary control. It is not certain that the manager features of the bill, if enacted, will pass the test of constitutionality.[2] However, the Knox County ruling brightens the outlook for the county manager plan in Hamilton County and, it is to be hoped, in other Tennessee counties.

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[1] *Prescott* v. *Duncan*, 126 Tenn. 106 (1912).

C. Herman Pritchett
Tennessee Valley Authority

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Gallatin County, Montana, to Vote on Manager Plan.—Gallatin County will probably vote on the county manager form of government at a special election within the next three months. A petition has been signed by more than 1900 voters in the county requesting the board of county commissioners to call an election and vote on the adoption of the manager plan. Montana law requires that a petition must be signed by at least 20 per cent of the number of people who voted in the last general election in order to have the commissioners call a special election. Twenty per cent of the voters in Gallatin County would be approximately 1600 names.

Bozeman, the only city in Montana to have the city manager form of government, is the county seat of Gallatin County. The success of the city manager plan in Bozeman during the last fifteen years is an important factor in accounting for the interest in the manager form of government for Gallatin County. The movement for the county manager petition was sponsored by the Rotary Club, with other affiliated civic organizations coöperating.

R. R. Renne
Montana Agricultural
Experiment Station

Henrico County Citizens Rally to Defend Manager Charter.—On June 29th Henrico County, Virginia, will hold a referendum upon the question of retaining its county manager charter. The plan is one of the optional systems provided by the Virginia general assembly, session of 1932, and was adopted, following a vigorous campaign sponsored by the Henrico Citizens League under the leadership of J. Randolph Tucker, a prominent lawyer of Richmond. The opposition consisted of the then county officials, officeholders, and their friends. The manager plan carried by 363 votes. The old board of supervisors, however, refused to vacate the court house, and the new government which was supposed to take office January 1, 1934, did not do so until authorized by the state supreme court in March 1934.

In the next regular election for supervisors the manager candidates stayed out of the Democratic party primary in August 1935 and ran as independents in the November 1935 general election, being opposed by nominees of the Democratic primary, known as down-the-line Democrats, who admitted the success of the manager plan, but who argued that it should be under party control. The result of the November 1935 election was that all the manager or so-called independent candidates were elected.

The opposition remained quiet until October 1936 when the county clerk, an esteemed official who had held office for over sixty years, died. He was succeeded by his deputy who promptly challenged the right of the board of supervisors to fix his salary at any less amount than that paid the former clerk, and also objected to having to select the employees in his office through the merit system as provided in a report and personnel survey which was at that time under way by the Public Administration Service of Chicago. These matters were taken to court by the county clerk and are still in litigation, and may go to the state supreme court.

In the meantime the commonwealth's attorney, or county prosecutor, is objecting to the payment of the Public Administration Service bill for the personnel survey.

This personnel survey and the clerk matter agitated the county political leaders profoundly, and together with the action of the county school board in employing a new superintendent of schools at a higher salary than that of the former superintendent, precipitated their active opposition, which is taking the form of an effort to change the form of government back to the one abandoned by the voters in 1933.

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[2] See Estes Kefauver, "Reorganization of County Government Upon Council Manager Plan," 14 *Tennessee Law Review* 406-19 (1937).

The Henrico Citizens League which originally sponsored the movement has reorganized with Harris Hart, a former state superintendent of public instruction, as president, to oppose the change, and the voters will decide on June 29 whether to continue under the present form or go back to the old system.

WALTER J. MILLARD

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Mississippi County Finances.—A picture of Mississippi counties can be gained from the following brief description: the state's two million population represents an average of 24,500 for each of the eighty-two counties. The range is from 5,704 in Stone County to 85,118 in Hinds. The average area of the counties is 565 square miles, ranging from 386 square miles in Alcorn County to 905 square miles in Yazoo County. The assessed valuation for ad valorem tax purposes averages $6,622,797, ranging from $1,425,000 in Stone County to $43,876,705 in Hinds County. The average per capita valuation is $270, ranging from $86 per capita in Itawamba County to $538 per capita in Warren County. County indebtedness, exclusive of cities, totals $83,244,740, ranging from $38,205, or 76 cents per $100 of assessed value and $1.97 per capita in Pearl River County to $5,531,883 in Harrison County, with $45.16 per $100 assessed value in Humphreys County and $133.69 per capita in Sharkey County. Pearl River County has only six outstanding bond issues—one for the county as a whole for schools, one separate school district issue, and four special school district issues. Bolivar County has 150 outstanding bond issues—twelve being county-wide for courthouse, schools, and roads; thirty-two special road district issues; twenty-six special school district issues; and eighty drainage district issues. Statistics of this type are deceptive. For instance, the population and wealth of Bolivar County makes the burden of indebtedness much lighter than in the counties which seemingly have much lighter loads. The eighty-two counties have some 2,716 issues of bonds for the following purposes: funding bonds, courthouse and jail bonds, road and bridge bonds, school bonds, armory, current debt, exposition, hospital, railroad, seawall, toll bridge, special road district, special school district, separate school district, and drainage district bonds. The debt situation is much more favorable in Mississippi now than two or three years ago. Counties which were in difficulty because of unbalanced debt-financing plans have been able to refinance with a better distribution of maturities.

With regard to financial stability, it may be mentioned that there are only eleven so-called "deficit" counties in the state. That is, state taxes collected from the counties are less than state disbursements to the counties. Items of taxation classified on a county basis are the eight-mill state ad valorem property tax, the two per cent sales tax, the business privilege tax, the tobacco tax, the amusement tax, the income tax, the franchise tax, the gasoline tax, and land redemption sales. In turn, the state of Mississippi returns to the counties aid to schools, Confederate pensions, a portion of the gasoline tax, and part-payment of the county assessor's salary.

This brief comment may be supplemented by the statement that anyone interested in county finance may secure the Mississippi State Tax Commission (Jackson) *Service Bulletin No. 16*, dealing with the internal debt structure of the counties of Mississippi. This excellent and thoroughgoing volume is a splendid example of complete and accurate public recording.

DAVID W. KNEPPER
Mississippi State College for Women

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Tennessee Fee System Subjected to Court Attack.—The fee system of payment for justices of the peace has been attacked in a suit brought in Knoxville. A plea in abatement was filed in the justice of the peace court on the ground that the fee rendered the justice incompetent to sit. This action was based upon a ruling of the United States Supreme Court in the case of *Tumey v. Ohio, 273 U. S. 510, 1926,* which held that the statutory provision that a mayor acting as a justice could be compensated only in fees collected from the accused violated due process. The Tennessee justice refused the plea, stating that no similarity existed between the systems of Ohio and Tennessee. It was pointed out that in Ohio the magistrate concerned handled criminal cases only and received a fee only when the defendant was found guilty. The present suit involves a civil matter. In addition, the justice stated that the law of Tennessee allowed assessment of charges on either party to the suit. It is planned to appeal the case to the superior courts.

Lee S. Greene

Tennessee Valley Authority

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Pennsylvania Legislature Provides Charter Commission for Philadelphia County.—The Pennsylvania legislature has recently passed and the governor has signed a bill to appoint a commission to draw up a new charter for the city and county of Philadelphia—for use if and when the city-county consolidation amendment is adopted. This amendment has been passed by two legislatures and, if the supreme court permits a vote on it, will be submitted to the people either in 1937 or 1938. It is generally admitted that the bill is unconstitutional as the constitution is now construed, but the supreme court may reverse itself. If submitted to popular vote it is expected that the amendment will be carried and the charter commission legislation has been enacted in anticipation of this event.

Under the act providing for the commission, the governor has appointed ten of its fifteen members, the legislature the balance. The governor has named Thomas Evans of Philadelphia as chairman.

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Comprehensive County Bills Pass in New York.—Two years ago by a three-to-one majority the people of New York State passed the county home rule amendment to the state constitution. This amendment gave New York City control of the five county governments within the city and instructed the legislature to prepare optional alternative forms of county government for submission to the people of the other counties of the state. In preparing these alternative forms the legislature was given permission to disregard the old constitutional restrictions as to county government and also to rearrange the structure of local governments within the counties. Last year the legislature passed an optional county government law which took little advantage of these new powers. Two more comprehensive bills, which passed the senate unanimously, were defeated in the assembly.

This year the legislature passed both of the more comprehensive bills and Governor Lehman signed them both. Fortunately there is no conflict between them. With the options of both bills to choose from, the counties of New York will have a gratifyingly wide selection including all the principal recommendations in the model county government law of the National Municipal League. Both bills were strongly supported by a group of civic organizations scattered over the state, including the State League of Women Voters and the New York State Committee of the National Municipal League.

The first of the two bills to pass was the Buckley-Reoux bill prepared at the request of the legislature by the New York State Commission for the Revision of the Tax Laws (Mastick commission) and described on page 110 of the March issue of the Review.

After this bill had safely passed both houses the day before adjournment, a still more comprehensive bill, sponsored by Senator Thomas C. Desmond and Assemblyman Lee B. Mailler of Orange County, emerged from committee and passed both houses without a single dissenting vote. Among the options included only in the latter bill are proportional representation for county boards of supervisors, preferential voting for all county officers, a nonpartisan ballot, transfer of police functions from local units to the county or to the state, county control of all local roads and highways outside cities, centralization of judicial functions in the county, separation of towns and villages, and abolition of units of local government of a given class or classes under proper safeguards without abolishing all local government.

Both bills grant wide new powers of home rule in legislation, as authorized by the county home rule amendment, and for that reason if no other are likely to be extensively used. Both contain valuable safeguards as a condition of securing their privileges, such as independent audits, sound budgeting procedure, and abolition of the fee system of compensation.

All of the options listed are available, under either bill, by petition and popular vote. Under the terms of the county home rule amendment a separate majority vote must be obtained in any city which includes more than a quarter of the county's population and in the county outside such cities. Both bills require additional local majorities in certain cases for the transfer of functions from one unit of government to another.

The bills were both drafted by staff members of the National Municipal League. Howard P. Jones, secretary of the league, was the draftsman of the Buckley-Reoux bill. George H. Hallett, Jr., associate secretary of the league and secretary of the New York Citizens Union, was the draftsman of the Desmond-Mailler bill.

G. H. H., Jr.

TAXATION AND FINANCE

Edited by Wade S. Smith

Governmental Authorities in Chicago.—Several months ago this department discussed the multiplicity of taxing units in a small mining community in the anthracite coal fields of Pennsylvania, with the intention that other comparable situations would be considered from time to time. That[1] was a one-industry community whose economic future is uncertain and whose governmental complexity distresses only outside observers. This month we turn to a community of vast and growing wealth, whose governmental ills have been viewed with alarm by amateurs and professionals alike, and whose misdeeds have been pilloried for the whole world to see.

Of Chicago's century of economic progress little need be repeated here. Surging outward from the city of Chicago, with its three and a half million people, its stockyards and mail-order houses, its Loop banks and grain pits, its railroad sheds and lake-to-ocean freighters, the community adds another million inhabitants and diversified industries as it pushes through encircling Cook County, and comes to rest in satellite towns in Indiana and Wisconsin whose contributions raise its total population to well over five million people and give it a backbone of combined industrial, mercantile, and financial resources second to no other community in the world. It is little wonder that the local press, with a pardonable exuberance, calls this mighty metropolitan area "Chicagoland."

The Chicago metropolitan area is usually estimated to contain some 1,806 tax-levying governmental units, of which 368 are in Cook County, Illinois, and the others in adjacent portions of Wisconsin, Indiana, and Michigan. In the city itself there are six tax-levying and debt-incurring units, exclusive of the state and federal governments, and it is with these that we are concerned in this discussion. They are Cook County (four-fifths of whose taxable valuation is within the city itself), the city of Chicago, the Chicago board of education, the Chicago park district, the Chicago sanitary district, and the county forest preserve district.

The city, board of education, and park district are coterminous, as are the county and the forest preserve district. The sanitary district includes all of the city—which amounts to approximately nine-tenths of its taxable value—and the major suburban areas of the county. The functional responsibilities of the various units are obvious from their titles, except for the park district. This district, in its boulevard system, provides not only streets and street maintenance within the city, but supplies policing also. Many of the city's most important thoroughfares, including the famous Michigan boulevard, Jackson boulevard, and other downtown streets, are policed by the park district, whose police department is a large and complex organization. The judiciary is primarily an arm of the county government, while relief is administered by a county relief commission under state supervision and with funds largely supplied by the state. Further, the forest preserve district supplies a measure of facilities which in many other large cities are included within the province of the park department. It is evident, therefore, that in spite of the apparent divided responsibility of the six units the segregation of functions is not complete, and there is some measurable overlapping of services.

It is on the side of fiscal administration, however, that the unwieldiness of the city's governmental structure becomes apparent. Except for the fact that the assessment of property and the collection of taxes is centralized in the county government, and for an arrangement of convenience whereby the city acts as the check-writing agency of the board of education, it may be said that each unit goes its own separate way. Neither the machinery nor the inclination to provide it exists for the preparation of a coöordinated financial plan for the community as a whole, either for current operations or for capital programs.

Each unit adopts and executes its own annual budget, and these budgets may truthfully be said to represent a remarkable series of documents, for layman and administrator alike. Expenditure appropriations are set forth in considerable detail according to a standard classification. But the revenue side of the budget offers little in the way of information for those seeking substantiation of revenue estimates. All the units operate on an accrued revenue basis, and revenue appropriations are as solid or as illusionary as the authorities desire. Miscellaneous revenues are usually estimated in lump sums; surplus revenue is appropriated if a fund surplus exists after offsetting prior liabilities against accrued assets, and a deficit is levied for if a fund deficit is determined to exist; and the tax levy is fixed to balance miscellaneous revenues and the fund surplus or deficit against expenditure appropriations. Budgeted funds range from eight to twelve in the various units, and frequent attacks on budgetary items have been sustained in the courts on actions brought by taxpayers protesting parts of the levies of the various units. The board of education has been particularly susceptible to actions of this type, but the business of handling tax suits on a contingent basis has grown into something approaching a community scandal, with serious losses on the levies of all units which have this year resulted in legislative amendment of the county tax procedure to abate this evil. It is unlikely that the present budget-making practices of some of the units would be long tolerated were it not for the fact that so many budgets are prepared in Chicago by the numerous units that the intelligent taxpayer gives up in any attempt to follow this important item.

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[1] Shamokin, Penna. Cf. *Governments Galore*, National Municipal Review, February 1937, page 98.

If budget-making is confused, the administration of public debt is scarcely less so. The consolidation of twenty-two independent park districts into one park district in 1934 removed much confusion in this regard, but a multiplicity of sinking funds and the special status of temporary tax borrowing lends unwonted color to the situation even yet. Poor tax collections and the lack of local bank credit forced all the local units except the city and the board of education into default at various times during the depression, but these defaults have been remedied by refunding which has been on the whole soundly conceived. Under special legislative authority, twenty-year term bonds with callable or purchasable features have been used, and, led by the sanitary district, the county, park district, and forest preserve have refunded their entire debt under schedules which provide for a moderate and even contribution from the taxpayers, with the opportunity of reducing principal as rapidly as tax collections permit. Each of the six units has a debt limit of 5 per cent of assessed valuations, but on the low basis of assessements,[2] and with a debt the lowest of any of the larger metropolitan cities in the country, security is ample. Only the most fragmentary capital plans exist for any of the units, however, except for the sanitary district, whose construction program is largely pursued at present in accordance with a United States Supreme Court order, and there is absolutely no capital plan for the community as a whole.

It is in regard to tax assessment and collection, though, that the disorganized fiscal system meets its Waterloo. The county assesses property and collects taxes, as has been mentioned before. But it has done so hitherto under what can only loosely be called any system at all. Though the tax suit racket has been going on for a number of years, and is growing in seriousness, it is only within recent months that the county has consolidated and released data showing how the ultimate collectibility of taxes has been affected thereby. And only within the past year has any beginning been made in installing individual control records of each taxable property—a detail of tax enforcement mechanics of the utmost importance if the *collection* and not the ad lib *receipt* of taxes is to be experienced. Some conspicuously effective use was made by the county of the so-called Skarda tax receivership act during the acute depression years, but this device, it is said by local observers, has fallen into a questionable disuse during the past year or so. The county's chief fiasco in its administration of the tax system came, however, in 1928, when its assessment practices and malpractices caught up with it; and the state tax commission ordered that the 1927 quadrennial assessment be thrown out because of gross inequalities, and a reassessment made. The reassessment, originally estimated as a six-months rush job, dawdled along so that the 1928 taxes were not billed until the summer of 1930, and a delayed schedule of tax billing looking to the restoration of normalcy in 1940 has been followed since then, with disastrous consequences so far as actual tax collections go. Normalcy in the tax collection schedule has little to recommend it, incidentally, since normally taxes are not put into collection until March following the close of the fiscal (calendar) year. Current operations are financed by tax-anticipation borrowing, and the tax warrants are payable solely from the receipts of the taxes against which levied—a condition auguring ill for the holders of warrants of certain years[3] from which collections will not cover outstanding tax paper. In the collection of taxes, confusion has reigned supreme for some years, and in this every agency dependent upon the county for collection of its taxes has played the part of the none too innocent bystander.

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[2] Assessments are legally required at full value, but are actually at 37 per cent of full value, by application of an equalization factor determined to conform with the level of assessments throughout the state.

The tangled web of Chicago's multi-unit financing is in sharp contrast to the relative simplicity of cities like New York (where only the city has taxing and debt-incurring power). Functional lines overlap also, so that, all in all, the community displays lack of integration to a degree possible only in a city which has been so busy growing and producing that it has taken little time to gauge its drift as a local government. And this lusty and sprawling giant on the shores of Lake Michigan has shown to date no inclination[4] to get organized.

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School Levy Failure Shortens Cincinnati Term.— Citizens of Cincinnati, whose council-manager charter includes safeguards against the straight-jacketing tax limit which is spreading trouble among other Ohio cities, have recently refused to vote their school district out of tax-limit financial stringency. The schools, as in other Ohio cities, are entirely independent of the city government, and do not share, apparently, the confidence that is extended to Cincinnati's city-managed administration. The district's share of the 3 per cent sales tax (state collected), plus extra levies voted in 1934 and 1935, have kept the fiscal wolf from the school doors heretofore. The 1936-37 levy was voted down, however, and the current school year has been curtailed 7½ per cent, or about three weeks, to a total of thirty-seven weeks.

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New York Legislature Subsidizes Landlords.— Governor Lehman signed on May 18 a bill, requested by New York City officials, which will permit the use of the public credit to finance improvements in privately owned tenements in the first city of the land. Owners of the tenements will be billed over a ten-year period for the expense which the city incurs in modernizing buildings from which families would otherwise have to be evicted, the charge to constitute a prior lien on the property. Financing will be by means of ten-year assessment bonds. Modernization is necessary to comply with statutory provisions for safety and sanitation. Students of the use of public funds for housing will find this authorization an interesting variation of the more common methods of achieving the ends sought.

*

Nebraska to Take Over Private Utilities.— Nebraska's three public hydro-electric power districts are making arrangements to acquire the power and transmission facilities of the five private utility systems now serving the state, according to press advices received as this department goes to press. The legislature has authorized the issuance of utility revenue bonds for the purchase of the now privately owned facilities, and arrangements for the financing are said to be nearing completion.

*

Mississippi Voters Approve Industry Subsidies.— Four out of five Mississippi communities have approved bond proposals under a 1936 act of the state legislature authorizing local governments to use the public credit to subsidize new industries. Bond proceeds will be used to promote the establishment of industrial plants in the cities concerned, generally for actual plant construction, etc.

Treating the five elections as a group, 75 per cent of the qualified electors voted, and 91 per cent of those voting favored the proposals. The chief project is that of Pascagoula, in Jackson County, where an issue of $150,000 to establish a woolen knitting mill was approved 1,256 to 110. All proposals of the type must be submitted to the state industrial commission, and if approved, permission for a special election is given. Since the policy of attracting businesses and industries by such concessions as tax exemption, preferential wage treatment, etc., are generally frowned upon by authorities on public finance, this Mississippi experiment in the direct subsidy of industry will be watched with considerable interest.

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[3] Board of education warrants of 1928 and 1929. These have been the subject of extended litigation, with holders of unpaid warrants entitled (at the latest stage of developments) to recovery pro rata of funds already paid on retired warrants.

[4] Notwithstanding the commendable efforts of the Civic Federation and Bureau of Public Efficiency, and of the Committee on Public Expenditures, etc., the general public is apathetic.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

P. R. Made Optional in Massachusetts.—On May 24th Governor Hurley signed the Herter bill making P. R. optional by petition and popular vote for all cities and towns in Massachusetts. It becomes chapter 345 of the Massachusetts laws of 1937. Under the terms of the new law P. R. in approved form will be available for councils and school committees with the single exception of the Boston city council, which had to be taken out by amendment in order to secure the bill's passage. The Boston school committee is included. In addition mayors, including the mayor of Boston, may be elected by the corresponding Hare system of majority preferential voting, often known as the alternative vote.

The bill went to the governor only after spirited contests in both houses. It was defeated once in the senate, but the vote was reconsidered.

Following the Herter bill through, the Bond bill to make the "Cincinnati plan"—P. R. and the city manager plan in combination—available for all cities except Boston by petition and popular vote passed both houses but was vetoed by the governor because of opposition to the manager plan. The two bills did not conflict and advocates of P. R. were hoping that the Bond bill would also be signed. Its successful passage through the legislature may be attributed in considerable measure to the tireless efforts of Chandler W. Johnson of Cambridge and his father, Professor Lewis Jerome Johnson of Harvard.

*

P. R. in the New Irish Constitution.—The proposed new constitution of Ireland (Eire) submitted to the parliament (Dail Eireann) of the Irish Free State by President Eamon de Valera continues the use of the Hare system of P. R. for elections of the dail. P. R. is now the basis of all public elections in the Irish Free State. It has been used for all important public elections ever since the Free State was established in 1922. All parties and nearly all public leaders have favored it. President de Valera has been a consistent advocate. He once said that "whether it benefited us or not, I would be in favor of the principle, because it is justice."

*

P. R. in the New Constitution of India.—India—covering a territorial area greater than half the United States—is a country deeply divided by differences of race and religion. An essential part of any system of self-government applied to such a country must be the provision of safeguards for the representation of minorities. This need has been fully recognized under the new act of the British Parliament (the Government of India Act, 1935) which confers widely extended powers of self-government in India. This act establishes elected legislatures in the eleven provinces of British India and a central or federal legislature for All-India.

The main protection for minorities is found in the system of communal representation, the provision of which was insisted upon by the Mohammedan community. Under this system a specified number of seats is allotted to the separate communities, which form each its own electorates for the election of representatives. Thus, in the legislative assembly of Madras, 131 seats are allotted to the Hindu community, 28 to the Moslems, 8 to Indian Christians. Separate representation is also given to women, to landholders, to commerce and industry, to labor, and to certain other elements of the life and population of the province.

Within the communal constituencies some attempt has been made by means of the cumulative vote to secure representation for different sections—the moderates as well as the wings—of the same community. This is especially the case in the province of Bombay, where the cumulative vote operated to the general satisfaction under the previous constitution and where a number of three- and four-member constituencies are provided. Outside this one province the cumulative vote does not effectively apply, as the constituencies elect for the most part only one representative.

Provision is also made in the new constitution for a number of applications of the single transferable vote system of proportional representation. The system had been tried experimentally under the Government of India Act of 1919. "A system of proportional representation," stated the Simon Commission in its historic report (Report of Indian Statutory Commission, 1930), "has been constantly employed in the legislative assembly and the provincial councils for the selection of committees. No difficulty has been found in its practical operation and the members fully understand it and appreciate its advantages. It has proved its value."

This method of election is applied only in a slight degree in setting up the provincial legislatures. In the provinces of Bengal and Bihar, a portion of the legislative council (the provincial upper house) is elected by those members of the council who have already been returned by constituencies. These portions—twenty-seven councillors in the case of Bengal, twelve in the case of Bihar—are elected by the single transferable vote, and the first elections were held in the early months of 1937.

The most important applications of the single transferable vote system, however, are made in electing the federal house of assembly. This is an indirectly elected body, the electors being the members of the provincial legislatures. The members of each of the larger communities in a provincial legislative assembly will elect by the single transferable vote system an appointed number of federal representatives. Thus the twenty-eight Mohammedan members of the Madras provincial legislative assembly will elect by proportional representation eight Mohammedan members to the federal assembly, the thirty-one Sikh members of the Punjab provincial assembly will elect by proportional representation six Sikh members to the federal assembly, and so on. Over three-quarters of the representatives of British India in the federal assembly will be elected by the single transferable vote system.

The Government of India Act, 1935, provides also a new constitution for Burma. In Burma half the members of the senate (eighteen members) will be elected by the house of representatives by the single transferable system of proportional representation.

John H. Humphreys, *Secretary*
British P. R. Society

The Use of P. R. in Malta.—Proportional representation according to the principle of the single transferable vote was introduced in Malta as part of the constitution of self-government granted in the year 1921. The system was used in electing both houses of parliament. In 1936, owing to difficulties arising from the influence upon Maltese politics of a neighboring foreign power, the exercise of self-government was withdrawn, crown colony government was restored, and the elected parliament was replaced by a nominated council. Under the new conditions, proportional representation no longer applies.

During the period of its operation the system was highly successful in securing a full representation of political opinion in Malta. In 1931 a royal commission was appointed to examine the working of the constitution. As regards the electoral system that commission reported that there were no proposals for a change of system, but that on the other hand there was evidence that "the system was fully understood by the voters and was much appreciated by them." Leading members of different political parties testified to this effect. Lord Strickland, the prime minister at the time, stated: "I find proportional representation excellent in Malta. . . . It is the only system possible."

John H. Humphreys

CITIZENS' COUNCILS

Edited by Geneva Seybold

East Cleveland Community Council.—"Coördination" and "coöperation," goals frequently remaining just around the bend, are part of a working plan in East Cleveland which an editorial writer in Cleveland recently described as the latter city's "brisk neighbor" which "goes about its business of government with a maximum of efficiency and a minimum of noise." Forty-four organizations in East Cleveland, including civic, fraternal, and science groups, PTA's, churches, and welfare agencies, are represented on a citizens' council which coordinates the programs of the member groups to prevent overlapping and studies and stimulates interest in civic affairs.

Each organization is represented by its executive head and one appointed delegate.

There are also members-at-large, their number never exceeding 20 per cent of the total membership. The council now is made up of eighty-eight members and sixteen members-at-large. Active committees are those on municipal government affairs, education, welfare, community improvement, recreation, finance, membership, program, publicity, council history, and music association.

The last named is unique in this council. Most communities are over-organized and when representatives of the many groups meet together much duplication of programs is discovered. But the East Cleveland Community Council found that there was definite need for new organization in the community. The city wanted to have a local branch of a musical settlement and there was no organization ready to sponsor it. The community council therefore took the leadership in forming the East Cleveland Musical Association composed of professional musicians as active members and others interested in music as associate members. This group has organized a music school, making it possible for children with only a small amount of money available to have the best of teachers. It has also sponsored worthwhile musical programs free of charge for the enjoyment of the entire community.

New projects are discussed in council meetings and agreement made as to which member organization can most effectively serve as sponsor. Thus having agreed that a forum should be held next fall on election issues in the interests of civic education and intelligent voting the municipal government affairs committee has been given the task of finding an organization to conduct the forum and work with the group in arranging the program.

The community council has been found very helpful by public officials in formulating their policies since through it it has been possible to determine public reaction. A proposal, for example, that a community center building be built with the aid of WPA was the subject of thorough study and discussion by the council. After weighing the advantages of such a building, analyzing its cost including maintenance and probable income, and after consulting with public officials, the community council decided to recommend that the city council not proceed with the community center project.

City officials frequently address the council on civic problems, answering any questions that members care to ask. City Manager Charles A. Carran discussed zoning at a recent meeting of the council. The president of each organization on the council had been asked to bring the committee chairman in his organization who was charged with keeping in touch with city or legislative affairs. At the close of the meeting these chairmen met to develop a plan for pooling their efforts in working for certain objectives in the field of zoning.

The third annual community dinner sponsored by the community council was held in May. At these dinners the head of each group represented on the council explains briefly the aims, purposes, and place in the community of his organization.

At the regular monthly meetings time is allowed for any announcements members care to make relative to activities of their organizations. A PTA council representative announces a study group for parents to interpret the curriculum of the elementary schools; another member announces a clothing drive; a third asks for recommendations of boarding houses for children; a fourth urges the support of all organizations for establishing a permanent camp site for girl scouts. Thus each organization knows what the others are doing.

"We have achieved a better understanding in civic matters among the citizenship in general," an officer of the council says, "had an interchange of ideas, a common meeting place for all organizations where information can be disseminated and where subjects of universal interest can be freely discussed pro and con." M. W. Hoyt Lowden is president of this citizens' council which has been at work for two and a half years.

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Saratoga Springs Citizens' League.—With renewed vigor the Citizens' League for Better Government is making a survey of city charters with a view to improving the government of Saratoga Springs. REVIEW readers will remember the important part played by this citizens' council in the campaign for a city manager charter in 1935. After studying many plans the council decided that city manager plan C under New York State's optional government statute offered most advantages and undertook a program of education and active sponsorship. The plan lost by a small margin of 227 votes.

The question of a new charter may be put before the electorate again in November of this year. The attitude of the citizens' council is that of a professional research organization, indicated by the way in which it is undertaking its new survey. After a two-year period it is not assuming that the city manager plan is necessarily the best for Saratoga Springs but is covering once more the entire field of charters that offer possible improvement. At a recent meeting of the council, for example, a report was made on the Glens Falls city charter, an example of the "strong mayor" type of government. Members of the council feel that their experience of two years ago in handling education and publicity will be of great value in promoting whatever form of charter the council agrees to support.

The Saratoga Springs Citizens' League follows the plan, common to many citizens' councils, of having a city official, or one closely connected with the city government, speak at each meeting of the group telling of the work done under his management, after which there is open discussion. At a recent council meeting the district administrator of WPA outlined savings through WPA to the city, telling particularly of various road projects and giving figures on total costs. In the open discussion that followed the administrator was asked and answered numerous questions such as why certain projects had been halted, why certain workers had been laid off, and why certain of the WPA men "could drive to work in automobiles." The frank discussion at council meetings, it has been learned, have been important media for obtaining citizen understanding and support for local government projects.

Miss Kathryn H. Starbuck is chairman of the Saratoga Springs Council.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Governmental Research to be Subject of Study.—A year's study of the governmental research movement is to be made by Frederick P. Gruenberg under the auspices of the Committee on Public Administration of the Social Science Research Council, it has been announced by Louis Brownlow, chairman of the committee.

The first citizen-supported bureau of municipal research was established thirty years ago; there are now over fifty-five local bureaus and over forty state-wide agencies. It has for some time been the feeling among leaders in the movement that an objective analysis of the work of the bureaus would be of help in defining the future of the movement, in the light of its past successes and failures. A number of bureau heads have been expanding the scope of their activities; at the same time newer types of agencies have entered the field, such as the tax-supported research unit, the university bureau of administration, the taxpayers' association, the state league of municipalities, the national professional association of officials, and others.

Mr. Gruenberg is considered especially well equipped to conduct this study. He was for eight years director of the Philadelphia Bureau of Municipal Research, and has been president of the Governmental Research Conference. He has more recently been a member of the Pennsylvania Public Service Commission. The headquarters of the study will be 1701 Walnut Street, Philadelphia. Mr. Gruenberg expects to visit a representative group of communities in which governmental research work is carried on.

The Governmental Research Association has expressed its interest in the study; and has been asked to designate an advisory committee to work with Mr. Gruenberg and the Committee on Public Administration.

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Pittsburgh Efficiency and Economy Commission.—The Efficiency and Economy Commission of Pittsburgh, organized in accordance with a resolution of city council, approved by the mayor, started operations about the middle of April 1934. The membership of the commission, consisting of twelve representatives of large taxpaying corporations, was largely technical and professional in its makeup, and included engineers, accountants, lawyers, bankers, and operating executives.

From the start the commission recognized that no group, regardless of individual qualifications, could quickly scrutinize operations with which they were not familiar, and prescribe a remedy. The commission's approach to the problem lay in the adapting of the systems and methods, organization set-up, policies and procedures, as developed by private corporations through years of experience, to the specific operations of the municipal corporation.

It was decided to make no recommendations based upon perfunctory studies and an extensive fact-finding program was planned. Committees and subcommittees with a total personnel of some 150 members were set up, each assigned to a specific part of the task. The subcommittees are representative of Pittsburgh's very best accounting, engineering, financial, and legal talent, together with men specially qualified along many other lines.

The following subjects have been or are being surveyed and studied: debt and sinking fund, compensation and general public liability, pensions, Mayview fire protection, central payroll bureau, cost accounting, collection of delinquent accounts, revenue accounting, accounting in general, personnel survey, salary and wage standardization, civil service, general reorganization, central service depot, operating districts, purchasing, stores, automotive and other equipment, shops, bureau of water. Substantial progress has been made in installing the recommendations of these reports.

Debt and Sinking Fund. The commission's report, accepted by the city authorities, resulted in legislation enabling the elimination of 6 per cent certificates of indebtedness and the substitution therefor of short term notes. It also brought about a ruling as to the legality of optional coupon bids. This will enable the city to reduce interest payments by a large amount annually and to secure the best possible terms in disposing of its bonds. Many thousands of dollars have already been saved through the medium of short term notes.

Compensation and General Public Liability. It has been necessary to appropriate nearly three hundred thousand dollars annually to cover these items. The commission's survey disclosed that due to the lack of proper organization to handle such matters, the expenditures made were considerably in excess of what would be made by private industry. Based upon a report of the commission, the city authorities are establishing the proper organization and procedure to handle these items and it is estimated that there is a possibility of saving as much as one hundred thousand dollars per year.

Pensions. The 1936 appropriation for the three pension systems totalled $1,236,000. The commission presented a report on a *Retirement System for the Employees of the City of Pittsburgh* which, if followed, will both safeguard the employees' interests and enable a gradual turnover to an actuarially sound system through which each city employee may feel that he is building up a sound equity through each year of service rendered.

Central Payroll Bureau. The payroll of the city of Pittsburgh amounts to more than nine million dollars a year. Between five and six thousand people are employed. As a result of a thorough and detailed survey and report by the commission which was accepted by mayor and council, the central payroll bureau is being installed as part of the controller's organization. This installation not only furnishes means for safeguarding the integrity of the payroll but it is also a medium for the establishment of a sound cost accounting procedure and is one of the elements of the modern accounting system which the commission is developing for the city of Pittsburgh.

Central Warehouse. Operating Districts. Mayor and council have already accepted the plan for a central service depot to include warehouses, shops, garages, storage yards, etc.; have secured a site for these operations; and the detailed layout and design are now in process. This was the subject of a "fireside chat" by Mayor Scully. Modernization of the city's "service plant" will make possible more economical purchasing, the safeguarding of the care and custody of materials and supplies, the producing of proper records as to the ultimate use of these materials and supplies making thorough auditing possible. Also, the development of stores accounting is another step in the commission's over-all accounting plans. The establishment of these facilities will enable the operating districts for outside activities such as water, highways, sewers, street cleaning, etc., to be materially reduced in number with a resultant decrease in overhead expense and increase in operating efficiency.

General Reorganization. The mayor and council have held numerous working conferences in consideration of the commission's tentative general reorganization plan. This plan is designed to eliminate overlapping of duties and duplication of effort. It also eliminates divided responsibilities and tends to make the lines of authority and assignment of responsibility definite.

Many of the changes proposed are sweeping in nature. Some will require state legislation, others may be accomplished by ordinance. The mayor and city council have assigned a special assistant city solicitor to study the laws affected, the commission's proposals, to keep pace with council's study of these proposals, and to formulate such legislation as may be necessary to put them into effect as adopted.

HENRY HORN, *Executive Secretary*

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Fitchburg Taxpayers' Association.— Noteworthy progress has been achieved by the Fitchburg, Massachusetts, Taxpayers' Association during its fifth successive year of public service. Through the five years of service to taxpayers and public officials alike, the association has endeavored to promote efficiency in governmental administration by presenting scientific solutions to public problems. The path has not been easy, and perhaps never will be, but the diligence of public-spirited and unselfish citizens has achieved a lot toward the realization of the goal.

With the administration of every such agency comes the problem of public acceptance. Generally speaking, such initiative counts for little unless the public is ready and willing to support programs that are offered for the promotion of efficiency and honest administration. Fortunately, and perhaps deservedly, the Fitchburg association has met with general public approval. It is not intended to imply that there has been no opposition to its policies—for there has been. In the main, however, a reputation of honest research ability and indisputable integrity has been maintained.

Membership in the Fitchburg Taxpayers' Association continues to grow, and as this note goes to press the membership rolls include about 40 per cent of the property taxpayers of the community, representing nearly 78 per cent of the taxable property.

Several important studies will be made by the Fitchburg association during the coming year. One of these will be a thorough analysis of accounting procedures in the Fitchburg treasurer's office. The purpose of this work will be to bring this city department up to the latest standards of municipal accounting.

Another investigation will be undertaken of municipal self-insurance. The chief object of this study is to determine whether the city can act as its own insurance agency. This analysis may lead ultimately to large savings in insurance premiums.

A third project to be undertaken will relate to a reassessment program. Due to the loss in taxable valuation caused by the exemption of the machinery of manufacturing corporations, it may be desirable to revise the present assessing schedule. The proposed study will offer some solution to this important problem.

Research conducted in the past by the Fitchburg association has been a major factor in the improvement of governmental administration. In the coming year we will continue to use the slogans: "the best possible government at the lowest possible cost"; and "back 'em up or show 'em up" (referring to city and state officials).

As an active member of the Massachusetts Federation of Taxpayers' Associations, the Fitchburg association keeps its membership well posted on state governmental problems. The local association also works continuously with the state federation in seeking to effect economies in the spending of the taxpayer's money.

PAUL Z. CUMMINS, *Director*

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Finance Department, Chamber of Commerce of the United States.— A report entitled *The Surtax on Undistributed Corporate Earnings* has been prepared by the chamber's committee on federal finance. This report outlines a series of proposed modifications in the tax, which would make it more workable and would eliminate some of the more outstanding inequities and discriminatory features.

As information about the practical operations of the tax has become available with the filing of the March 15th income tax returns by corporations, further study of the effects of the act upon business concerns has been made by the finance department staff. The tax as it is now operating was reviewed at a special round-table session held in connection with the twenty-fifth annual meeting of the chamber on Tuesday, April 27th.

A review of the general fiscal situation of state and local governments was presented to the chamber's board of directors at its meeting March 19th by the committee on state and local taxes and expenditures. While the committee found many favorable aspects in the present situation, including a strong credit position for most municipalities, it stressed the need for continued citizen activity on state and local fiscal problems if unwise expenditures and increases in taxation are to be avoided.

The chamber's bulletin on taxation and public finance, *The Public Dollar*, has been reissued since February 1937. It will be sent upon request to individuals and organizations interested in tax problems.

Monetary policy also has been a subject of special study by this department of the chamber, and a report, *Monetary Legislation*, has been issued by a committee on monetary policy. The report covered mainly the monetary legislation enacted during the emergency period, including the devaluation and stabilization fund powers and the silver purchase act.

Welles A. Gray

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Bureau of Governmental Research of the Kansas City (Kansas) Chamber of Commerce.— The bureau during the past year conducted its usual examination and analysis of the budgets of the various governmental bodies of Wyandotte County. Studies were made and conferences were held with the various public officials on these matters to the end that the tax rate would be as low as possible without jeopardizing necessary governmental functions.

Early in the past year the board of county commissioners was confronted with the perplexing problem of financing poor relief in the county. A citizens' advisory committee of the chamber of commerce was appointed and the bureau took an active part in the various meetings held in the attempt to solve this complex problem.

The bureau coöperated with the legislative committee of the chamber in the analysis and drafting of several laws in which the governmental officials, the chamber of commerce, and the bureau were interested.

The bureau again drafted the modern assessment procedure bill which was sponsored by the legislative delegation from Wyandotte County. It is with regret that defeat of this important measure is again acknowledged.

The bureau and the Wyandotte County relief administration drafted a relief organization measure to be financed by the sales tax. While this particular measure was not considered, several of its features are covered by the bills passed by the legislature. The bureau was pleased that a portion of the sales tax was allocated to the local units of government for a reduction in the ad valorem levy.

It being the consensus of opinion that something must be done to strengthen the laws regarding the collection of personal property taxes, the bureau, through the legislative committee of the chamber of commerce, drafted an amendment to the present motor vehicle license application law. This amendment, which required the presenting of a paid personal property tax receipt for the previous year before the license application was acknowledged by the county treasurer, was patterned after the laws now existing in such states as Nebraska, Colorado, and California.

Numerous other measures that were before the recent session of the legislature were either drafted or approved by the legislative committee and the bureau, some of which became laws.

The bureau has continued its day-by-day contacts with the governing bodies of the county, city, and board of education. It has also continued its policy of furnishing fiscal data to various statistical-gathering agencies for comparable purposes with other cities of the nation, and has assisted in maintaining the credit of the governmental bodies in the bond markets of the country.

The Bureau of Governmental Research is established to assist governmental bodies through the study of administrative methods, to bring about greater efficiency and improved service in the expenditure of the taxpayer's money. The bureau also seeks to create a better understanding between the taxpayer and the official by the dissemination of factual information to the general public.

H. B. Kendrick, *Director*

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Baltimore Commission on Governmental Efficiency and Economy.— Four times the number of copies necessary to serve the commission's subscribers must be printed in order to meet public demand for its reports. Especially heavy has been the call for the reports on *A Real City Plan for Baltimore, Sheet Asphalt Street Repairs,* and *Pertinent Financial Data of the City of Baltimore.*

The city plan report, which presented the steps necessary for instituting a comprehensive system of city planning for Baltimore and set down in detail the duties to be performed by a commission on city plan, is being used as the basis for the deliberations of an official committee charged with the formulation of an enabling ordinance.

The city's new contracts for sheet asphalt repairs already indicate savings that may reach a quarter of a million dollars. These new contracts give effect to some of the recommendations made by the commission in its report on sheet asphalt street repairs. This report, made after exhaustive study of methods used and results obtained in Baltimore and some twenty comparable cities, explored practices affecting costs and included fifteen major recommendations. The study was made at the request of the city administration. A number of improvements in details of inspection and workmanship were accomplished during the course of the survey because of the excellent coöperation given by the city highway personnel. Keen competition among contractors bidding for the work resulted from the city's acceptance of the recommendation to break up the practice of dividing the city into districts corresponding to the number of active paving contractors resident in Baltimore.

The annual statement of *Pertinent Financial Data of the City of Baltimore,* first issued in 1931, is prepared to furnish the kind of information in demand from financial institutions and investment bankers in respect to municipal securities. The method of selecting the data and text was adopted after consultation with the investment officers of the larger life insurance companies, the municipal bond committee of the Investment Bankers' Association of America, *The Bond Buyer,* and others regarding certain essentials for safeguarding these investments. The effort was to deal with the inquiries which were stirred up by the financial problems of other cities to which public attention was attracted. This statement has been expanded and refined each year and has come to have a wide distribution among financial houses over the country.

The commission's work with regard to the establishment of permanent central registration and the use of voting machines in Baltimore nears accomplishment, as necessary legislation was enacted at the session of the Maryland general assembly just ended. The commission's reports on these subjects were taken up by civic organizations and a public movement for the improvements was initiated by those organizations.

The commission's staff was again invited to assist the budget director and the city board of estimates in the preparation of the city's annual budget. This has now become the regular and accepted practice.

The staff is now engaged on studies dealing with fiscal and organization problems of the government of the state of Maryland.

D. Benton Biser, *Director*

BONDED DEBT

(Continued from Page 300)

obligations than to incur new debt. In many cases, of course, the cities are unable to increase their debt because of tax and debt limits.

More interesting than valuable is Table IV showing the high and low cities of the various groups.

The ranking high and low cities do not always mean much. For instance, included are two resort cities, Miami and Atlantic City, which must provide facilities for populations greatly exceed-

TABLE IV

Ranges of Per Capita Net Debt Less Self-Supporting—260 American Cities Reporting 1937

Group	Highest		Lowest	
I	Philadelphia, Pa.	$197.18	Milwaukee, Wis.	$76.51
II	Newark, N. J.	$202.79	Seattle, Wash.	$63.68
III	Miami, Fla.	$314.81	Fort Wayne, Ind.	$26.68
IV	Atlantic City, N. J.	$377.05	Springfield, Ill.	$ 8.77
V	White Plains, N. Y.	$349.47	Bay City, Mich.	$16.23

ing those given in the census. White Plains is a highly developed residential community. Bay City, on the other hand, is a city of declining population.

Data on special assessment debt are collected, but the conditions under which such debt is authorized make comparison difficult. In 1937 $204,247,640 special assessment debt was reported of which $82,566,405 was reported as a general obligation of the city.

In general, this tabulation indicates no definite trends of long term debt, rather it appears that cities are consolidating their positions by retiring existing debt, by refunding, often at lower interest rates, and that only a small amount of new debt is being issued. These trends, however, are not as pronounced as reported in 1936, and may represent the beginning of a new cycle in using long term debt to finance capital improvements.

FINANCIAL AND ACCOUNTING STANDARDS

(Continued from Page 295)

ants. In several states, including Indiana and Iowa, only the state government itself can make the examination. In others either the state or private accountants may do the work, and in still others there is no provision whatsoever for auditing. The committee recommends that as a general rule there should be an annual audit of public accounts. Where the work is done by a private accountant, he should be chosen because of his qualifications for the work at hand. He should not be selected on the basis of bids any more than engineering or medical services are purchased on a competitive price basis. The audit contract should contain a clear statement of the scope of the audit, the rate of compensation, the kind of audit to be made, and to whom the report will be submitted. The auditor should make continuing and constructive recommendations for improving the accounting and auditing plan of the municipality. The National Committee on Municipal Accounting has established standards in this field through the publication of its *Suggested Procedure for a Detailed Municipal Audit*. The purpose of the annual postaudit is not only to assure all the officials that all property and cash have been accounted for, but also to see that the accounting plan itself is sufficient to provide information needed by interested parties.

The accounting and auditing procedures of a municipality are not dramatic. They involve a type of work which is highly important from the standpoint of management and control. Those who are doing the work should bear in mind that the accounting records represent the results of human activity and will be used in the future to control other human activities. The records must be produced promptly and with unerring accuracy. They must next be made available to those who can do something about the facts once presented. The chief executive will use the reports as a basis to control the activities of department heads. The city council will use them to develop the budget and formulate financial policies. The public will use them in passing judgment on the entire "city hall crowd."

RECENT BOOKS REVIEWED

EDITED BY GENEVA SEYBOLD

Facing the Tax Problem: A Survey of Taxation in the United States and a Program for the Future. By Committee on Taxation of the Twentieth Century Fund, Inc., Carl Shoup, *Research Director;* Roy Blough and Mabel Newcomer, *Associate Directors.* New York, Twentieth Century Fund, Inc., 1937. 606 pp. $3.00.

This is the first installment of a study in the field of public finance organized and financed by the Twentieth Century Fund. Professors Shoup, Blough, and Newcomer are the principal authors of this book but they have been assisted in its preparation by a group of specialists who prepared basic memoranda. These memoranda will be published in a separate volume at a later date. The book includes also a report from a committee of disinterested citizens upon the conclusions and recommendations of the researchers.

The tax system of the United States is considered in this study as a whole rather than in its particular federal, state, or local compartments. The system is tested from the point of view of its capacity to achieve certain objectives which any tax system, in the opinion of the authors, should achieve. It is found to be unsatisfactory in some of its elements as a revenue producer, and also as an instrument of social control, and to be in need of substantial revisions.

The authors of the study and, with one dissenting vote, the sponsoring committee, favor complete integration of corporate and personal income taxes (both federal and state), the repeal of the tax on undistributed profits, and the complete remolding of capital gains taxation. The use of taxation for the achievement of purposes of social control is approved with some qualifications.

As regards state and local taxation (in which the readers of the NATIONAL MUNICIPAL REVIEW are particularly interested) the authors, with the concurrence of the committee, recommend: the greater cultivation by the states of personal income taxes, the repeal of sales taxes, the abandonment of personal property taxes, and the withdrawal by the state governments from the field of property taxation generally. They advise against any drastic reductions in the local taxes on real estate, and also against the imposition of over-all tax rate limits. At the same time, they recommend that "substantial increases in the real estate tax rate be made only for the purposes of financing such local activities as clearly tend to enhance the value of real estate in the community." It is not made clear, however, which local activities clearly fall into this class and which do not.

Although the reviewer does not agree with all of the conclusions and recommendations of the authors and of their sponsoring committee (especially as regards methods of taxation of corporations) he heartily commends the book to the readers as a most comprehensive, up-to-date, critical, and constructive survey of American taxation.

PAUL STUDENSKI

New York University

*

Government Finance. By Jens P. Jensen. New York, Thomas Y. Crowell Company, 1937. 595 pp. $3.50.

A noteworthy feature of this book is the breadth and completeness of its treatment. The topics commonly included in a general work on public finance are, of course, examined. Space is, however, found for a chapter—an excellent one—on the customs duties. The collection, and even the custody, of the public revenues receive attention. Subtopics and considerations under each main heading are numerous. Considerable historical material and many references to foreign experience are interwoven throughout the text. This material never appears as a decoration but always as an integral part. It serves, therefore, a most useful purpose. The book gives every evidence of being written out of a broad knowledge and understanding of public finance. And the numerous excusions into the etymology of various terms betray the love of a scholar for his subject.

Government Finance is also to be commended for the objectiveness of its treatment. On reading it, one senses the fairness with which issues are examined on their merits. Nothing of fact, conclusion, or opinion is warped. The reviewer disagreed at times with particular statements but never found occasion to question the attitude with which these issues were approached. Professor Jensen is liberal in his thinking but in no sense radical. He believes, for example, that taxation may properly be used for non-fiscal ends, provided these ends are proper, and the taxing power the most effective means of realizing them. He finds some merit in the single tax but objects to confiscation of rental values that have been privately appropriated under the "rules of the game" in effect at the time.

The treatment of expenditures is, in the reviewer's opinion, the least satisfactory part of the book. Public expenditures are, however, always difficult to treat adequately. The barren facts and sterile theories that compose so much of this division of the subject offer poor material to the writer of a general work. The expenditures of government can be determined and commented upon. It is doubtless true that the marginal analysis is a useful device for finding the goal that public expenditures should seek. But the relation between this goal of maximum satisfaction and actual expenditures is a tenuous one. The difficulty, however, lies in the problem not in the treatment.

This book should be useful to both teacher and public official. It is well equipped with illustrative material, and is written clearly, though at times somewhat laboriously. The bibliography at the end of each chapter invites exploration on the part of the reader. The many bits of sound advice included should recommend it particularly to the public official. In sum and in short, the reviewer likes the book.

M. SLADE KENDRICK

Cornell University

*

How Shall Business Be Taxed? A Symposium by Twelve Authorities. New York, Tax Policy League, 1937. 175 pp. $2.50.

The overlapping and gaps usual in the symposium method of bookmaking have been largely eliminated from this series of papers. Professor K. M. Williamson begins, properly enough, the difficult if not impossible task of defining business taxes. He succeeds well in demonstrating the wide scope of the problem. In Chapter II Noel Sargent presents, with considerable restraint, the attitude of business. The equity and expediency of business taxes, specifically taxes on corporations, is treated by H. M. Groves, who finds the principal obstacle to reform in the fiction which separates the corporation from the stockholders. A. G. Buehler appraises present methods, and offers simplification as a remedy, particularly through the elimination of the excess profits tax and the capital stock tax. The brief comparison by Mabel Newcomer with European business taxation offers little grounds for hope of lower business taxes, although it suggests different forms. The discussion becomes pointed toward corporate income taxes, and Roy Blough presents the merits of flat versus graduated rates. The New York tax on unincorporated business is described by Paul Studenski as being too restricted in its scope and therefore fiscally unimportant. The undistributed profits tax is criticized adversely, from the business point of view, by E. C. Alvord, although he does not recommend its repeal. The same tax is further analyzed, from the point of view of the federal tax structure, by G. C. Haas; and from the theoretical viewpoint by Carl Shoup. The list is completed by two papers relating to the social security program—one on payroll taxes by L. P. Rice, and one on the berated social security reserves by E. E. Witte.

There are different points of view. It is perhaps the chief merit of this kind of literature that it makes possible the approach to a problem by authors with different conclusions. In this case, though the bias is visibly non-uniform, the conclusions are remarkably harmonious. The style is businesslike and there has been no time and space wasted on anecdotes.

JENS P. JENSEN

University of Kansas

*

The Municipal Year Book, 1937. Clarence E. Ridley and Orin F. Nolting, Editors. Chicago, International City Managers' Association, 1937. 599 pp. $5.00.

"The new *Municipal Year Book* is out!" The exclamation, spontaneously bursting forth from one of the staff, has significance. The *Year Book* has become an institution. First issued four years ago it is now an established and recognized source of factual information concerning municipal government brought within the focus of each twelve-month period.

The 1937 volume is like a new model automobile—improved considerably over its worthy predecessors. As in previous volumes, articles by authorities revealing the important trends of the year lead off the issue, which is divided into five important parts:

Part One—Municipal Administration
Part Two—Governmental Units
Part Three—Municipal Personnel
Part Four—Municipal Finance
Part Five—Sources of Information

There is much new material in the book including recent trends in urban population, credit unions for municipal employees, state grants-in-aid to local units, and a most interesting analysis of the purchasing power of municipal employees. The directory of city officials has been brought up to date and is now the standard reference for this information. Under "Municipal Finance" considerable attention is paid to the problem of financing relief and recovery, separate discussions being presented on the Reconstruction Finance Corporation, Federal Emergency Relief Administration, Civil Works Administration, Works Progress Administration, Federal Emergency Administration of Public Works, and Public Assistance. These presentations are not, of course, critical but usefully descriptive, giving a clear over-all summary of what these vast emergency organizations have done.

All in all, the book is a splendid compendium of useful information, representing an enormous amount of work, and the International City Managers' Association is to be congratulated on its successful continuance of a most important and worthy enterprise.

H. P. J.

*

Pressure Politics in New York. By Belle Zeller. New York, Prentice-Hall, 1937. 310 pp. $3.00.

As the significance of the influence of minority pressure groups is coming to be fully recognized, students are giving it more detailed attention. This book holds a magnifying glass over a single legislature, that of New York State, showing lobbyists in action and other methods employed by special interest groups to obtain legislation they desire or prevent what they do not want from being written into law.

For five years Miss Zeller, an assistant professor of government at Brooklyn College, New York, sat on the side lines at the legislature, buttonholing lobbyists, questioning them regarding the methods of the organizations they represented, interviewing the heads of these organizations and examining their files. The first study of its kind, the analysis is the product almost entirely of original research.

The groups studied are organized labor and its allies, business interests, farmers, welfare groups, and the professions. Business interests whose methods are described include real estate, banking, insurance, manufacturing, and public utilities. The utility groups, according to Miss Zeller, have developed publicity projects directed at persuading public opinion to support or oppose legislation on a much wider scale than other economic pressure groups of the state because they have been able to pass their lobbying expenses on to the consumer. Other methods used by the utilities are influencing newspapers through "good will" advertising, financial investments in newspapers, maintenance of a speakers' bureau, distribution of pamphlets in the schools, a campaign to rewrite textbooks used in the schools which were "deficient" in their treatment of public utilities, use of the radio, contributions and donations to clubs and associations, and appeal to the large army of small utility stockholders.

As the district leader has no reticence in discussing his amazing methods of "practical politics," those interviewed were frank in discussion of their methods of influencing legislation. To some citizens it will come somewhat as a jolt to realize that certain legislation can be traced almost directly to an annual "good will" dinner given to the state legislators.

Miss Zeller sees the state legislature "for the most part amateurs who are annually concerned with the disposition of over four thousand bills," and distinctly at a disadvantage as contrasted with the professional lobbyist who frequently has had years of experience in the ways of legislatures.

Preliminary planning of the work of the legislature would help decrease this disadvantage of the amateur legislator, the author believes. In this connection it is suggested that a legislative council be established to prepare the legislative program for the ensuing session of the legislature. Other suggestions are a longer term for the governor, increasing his powers of initiative and leadership, strengthening the lobbying law, establishment of a unicameral legislature, reapportionment of legislators, reorganization of the committee system, and perhaps a split or trifurcated session of the legislature allowing time for study of the bills between sessions.

*

County, City, and Town Government in Tennessee. By the Tennessee Taxpayers Association in coöperation with the Tennessee Municipal (Security Dealers) Association. Nashville, 1937. 41 pp. mimeo. $1.00. (Apply to the Association.)

This is a report on the first annual statewide survey of the financial situation of county, city, and town governments in Tennessee made by the Taxpayers Association. Subjects covered are bonded and floating debt, per capita indebtedness, purposes for which bonds were issued, sinking fund assets, bond principal and interest in default, bonds maturing from 1936 to 1943, taxable property, tax rates, taxes levied, uncollected taxes, annual income and expenditures.

Bases are provided for comparing one county with another and also for comparison of cities and towns. In the opinion of the Taxpayers Association a fundamental reason for the heavy debt burdens of counties is the large number of counties of small area serving very small numbers of persons. In the belief that consolidation of such counties is not practicable at the moment, the association suggests that the small county become a taxing district within a larger administrative area.

*

A Reading and Study Program for Municipal Finance Officers. By the Municipal Finance Officers' Association, Chicago, 1936. 24 pp. 35 cents.

A carefully selected list of books, pamphlets, and magazine articles, material generally available, grouped by topics such as accounting, budgeting, auditing, debt administration, purchasing, and taxation. It is designed particularly for public officials who wish to increase their knowledge of municipal accounting and municipal finance.

*

An Outline of Political Science. By Gertrude Ann Jacobsen and Miriam H. Lipman. New York, Barnes & Noble, 1937. 232 pp. Paper-bound, 75 cents.

This outline purposes to guide the undergraduate college student through the mass of material written in the field of political science. It is a tremendous undertaking considering that the authors attempt to cover all phases of government in all countries and may explain in some measure the inadequate treatment given to topics. To dispose of "local government" in eleven pages is a feat of some sort or other. There is little excuse, however, for the many misleading statements which are backed by no substantiating facts. Incorrect emphasis, too, may do as much harm as a false statement. The well trained student of government will know how to sort the wheat from the chaff but after all this volume is intended to be placed in the hands of beginners.

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JULY + 1937

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Editorial
Comment
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July, 1937

NATIONAL
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Cincinnati Again Calls Colonel Sherrill

COLONEL CLARENCE O. SHERRILL has returned to the office of city manager of Cincinnati. By unanimous vote the council invited him to come back to the city which he helped lift from the depths of municipal degradation in 1925 to one of the outstanding examples of efficient municipal administration in the country at the time of his resignation to enter private life in 1930.

In his return to the public service, Colonel Sherrill voluntarily gave up a $50,000 a year job as president of the American Retail Federation for a position paying $25,000 a year as city manager. Such action marked a distinct reversal from the usual trend in American politics, where men of qualification and ability frequently have left the government service for more attractive offers in private enterprise.

What prompted this unique departure from precedent can best be told by Colonel Sherrill himself. Commenting upon his recent resignation he said: "As important, as profitable, and as interesting as my present connection with the American Retail Federation is, the conditions in Cincinnati are such as to lead me to accept with pleasure the appointment as city manager, feeling that it opens a great field of public service in helping to carry on, and possibly improve, the splendid record of achievement of the council-manager plan there in the past eleven years.

"Since Cincinnati is the largest city in the country having the city manager plan, I consider it of vital importance to good municipal government throughout the country that this particular effort shall not fail.

"It is my feeling that good government at Washington and in the states depends perhaps more on the spread of good government in the municipalities than on any other one factor. Since more than 60 per cent of the population of the United States are in municipalities, it is evident that the character of local government will have a controlling influence on the type of state and national government that we are to have in the future.

"In order to have good municipal government, it is vital that the administrative service shall be operated throughout on the merit system, free from political or party influence and from other control than the control of the city council through legislation on matters of important policy. In this particular the city of Cincinnati is exceedingly fortunate in that it has had for more than eleven years a city government under which the merit system has operated effectively and to the satisfaction of all parties, I think, and all civic groups. It was the system that prevailed during my first term as city manager and it will certainly be carried out in spirit and to the letter during my term as city manager to which I was chosen last week by the unanimous vote of the city council.

"Another important element in successful municipal government is the keen interest of all the citizens in securing high type councilmen and in insisting upon efficient, honest, and progressive municipal administration. In this respect Cincinnati has been outstanding.

COLONEL C. O. SHERRILL

"At the present time there are in the United States 457 municipalities under the city manager form of government, and the type of government in these municipalities is, on the average, far above that in the various other forms, such as the mayor-aldermanic type. This is a good sign, as it indicates that the public are beginning to realize that service in the administrative branch of the municipal government is a high profession, worthy of the best efforts of the young people now entering into life from our educational institutions."

Colonel Sherrill, 61, West Point honor graduate, army engineer, chief of staff 77th Division at the end of the war, is no stranger to readers of the REVIEW. After the war he served as military aide to Presidents Harding and Coolidge—was superintendent of parks and buildings in Washington, D. C., when called to Cincinnati in 1925 to be its first city manager. Cincinnati had been the victim of a terrible fleecing by its good-humored absentee boss, "Rud" Hynicka, proprietor of the Columbia Burlesque theatre in New York. The machine had been relentless in its exploitation of the "Queen City." The arrival of Colonel Sherrill on January 1, 1926, began a new era in the political life of Cincinnati. A complete physical regeneration took place. Colonel Sherrill accomplished engineering feats which were visible to the eye and easy on the pocketbook. The tax rate in 1930 was the lowest for cities of comparable size in the nation. He built up morale, gave real meaning to the words honesty and integrity in the administration of city affairs. He demonstrated the workability of the city manager plan.

Possessed of all the charm and poise characteristic of his native south, Colonel Sherrill made friends easily. He was respected and increased his popularity by buying a home in Cincinnati. He continued to live there after his resignation in 1930 to become vice-president of the Kroger Grocery and Baking Company. Colonel Sherrill said he was "homesick" when asked why he was returning to Cincinnati and public life. The National Municipal Review hopes that this nostalgia spreads and impels others of noteworthy qualifications to assume positions of leadership in grappling with problems of bettering city and local governments.

County Manager Plan Triumphs

The Review offers congratulations to Henrico County, Virginia, for its decision, by a vote of 2,886 to 2,263, to continue under the county manager plan.

Victory came after a heated pre-election campaign which brought out on June 29th the largest vote in the history of the county, even surpassing by almost five hundred votes the presidential poll. The size of the vote (5,149) is of particular significance as an answer to those who say there is no interest in local government.

The importance of maintaining continuous, effective leadership by independent citizens is convincingly illustrated by the Henrico result.

Without the alert action of the Henrico Citizens' League, the old line political forces might have wiped out the margin which kept alive the manager plan. Opponents of the existing regime had the advantage of a misleading ballot which curiously enough was so worded that in order to vote for the retention of the manager plan the voter struck out the word "for." Veteran spoilsmen paraded under the guise of the "Good Government Association." And they sought to capitalize upon public apathy in an off-election year. They also were unencumbered by seventeen strong indictments from the state auditor which blasted them out of office in 1933.

Success in the face of these difficulties reflects credit upon the energy and interest of the Henrico Citizens' League. It is an example well worth observing by counties bowed down with financial distress and antiquated administrative machinery. The whole movement for better government throughout the country should receive renewed inspiration from this triumph.

P. R. Windmills

As was anticipated, proportional representation has been constantly under fire in New York City ever since its adoption by popular referendum last fall. Attacked repeatedly in the courts and finally upheld by the highest tribunal in New York State, P. R. now finds itself sniped at on the ground that it is administratively unworkable in New York City.

The National Municipal Review concedes that opinions may differ upon the ultimate results to be gained under a system of proportional representation; we concede that under this method of counting the votes the citizen may not know for a few days the outcome of the election; we even concede that the count is somewhat difficult for a beginner to understand; but even the most ardent opponent of P. R. who is a student of the subject would hardly have the temerity to challenge it on the basis of unworkability.

The fact that many of the large

(Continued on page 380)

Federal Assistance to Municipal Recovery

During the three years 1934 to 1936 the federal government contributed nearly seven billion dollars to local government treasuries

WYLIE KILPATRICK *Washington, D. C.*

FEDERAL policy affecting local public credit and finance is not confined to the instruments of borrowing and debt regulation analyzed in the preceding issue of this magazine. Local credit has been more affected by the national relief and public works programs. Since borrowing is the device to finance these programs, especially invoked during the depression, both local and federal credit were significantly molded by the emergency programs. The national-local action can be expressed in terms of functional services, budgetary operations, or economic recovery. These categories are helpful in explaining the impact of federal public works and relief upon local credit and financial administration.

If federal loans and grants were a direct pulmotor to private enterprise, amounting to eleven billion dollars for the three years 1934 to 1936, federal financing was no less indispensable to local budgets and indirectly to private enterprise. The aggregate total of public works funds disbursed and relief and work relief funds allocated was not far from nine billion dollars during the three-year period ($8,895,000,000). To state the outlays for local governments as distinct from total outlays is difficult but an approximation is possible. From the total may be deducted the PWA expenditure for federal and state projects, state highway aid, and the operating and maintenance costs of CCC camps. The resulting total of $6,795,000,000 either substituted for expenditure from local government treasuries or directly affected functions normally paid for locally.

Possibly the one best index of federal financing, consisting entirely of grants except for PWA loans, is the ratio of federal aid to the public revenue. Combining the revenue of the state and all subdivisions in a single amount for each state, since the merger overcomes the varying state-local allocation of affected functions, the table below summarizes the ratios of national aid to the revenue of local and state governments. The revenue figures, reported for 1932 by the census bureau, are available for all public units for no other year. The computed ratios do not mean that federal funds furnished the specified proportions of state and local revenue. Much of the aid, disbursed federally, never passed through state and local treasuries. Federal financing, nevertheless, substituted for local and state revenue.

The readiest measure of the degree of federal assistance to local finance is the percentage of the combined local and state revenue in each state which came from the federal government. This proved to be an average of 15 to 20 per cent of revenues in 1933-34 and 25 to 30 per cent in the two years of 1934-35 and 1935-36. So widespread is the

FEDERAL FINANCING OF LOCAL RELIEF AND PUBLIC WORKS[a]

Agencies	1933-34	1934-35	1935-36
FERA (allotted)	$1,826,781,270	$1,841,412,464	$ 422,574,554
CWA (allotted)	805,685,327	......	......
WPA (allotted)	......	......	1,841,463,546
CCC (labor remittances)	100,355,740	122,696,920	145,680,480
Bureau of Public Roads (municipal emergency)	16,707,715	87,055,580	46,093,955
PWA (local disbursements)	73,636,370	182,631,542	378,005,302
Social Security (February-June, 1936)	......	......	31,290,418
Total	$1,727,705,252	$2,234,976,933	$2,863,342,525

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[a] These data, computed from the records of the respective agencies, report expenditure for the PWA, CCC, and the Bureau of Public Roads, while allotments are presented for the FERA, CWA, and WPA. Expenditure more closely gauges the immediate effect of the former agencies for which a time lag occurs after allotments in contrast to the latter group for which the time lag is not so pronounced. Instead of the total federal aid to highways, the report is restricted to aid of municipal and county roads by the emergency agencies and to emergency municipal disbursements by the Bureau of Public Roads. Instead of total CCC expenditures, the report is restricted to estimated labor payments that substituted for relief aid by localities. The RFC loans to self-liquidating enterprises, not bulking large, are omitted because many allotments were before July 1, 1933, and the greater part of all of them were either to special districts or to private enterprise. Social security expenditure is included for the initial five months (February-June 1936) because the federal aid, even though paid to states, partly supplemented local funds. Federal security aid for 1936-37 is estimated to be $177,300,000.

popular impression that federal aid had taken over local functions and finances that the actual ratios puncture the illusion when the entire operations are viewed. That the aid was substantial for the large majority of states is disclosed by reference to the table below.

RATIOS OF FEDERAL AID FOR RELIEF AND PUBLIC WORKS TO STATE AND LOCAL REVENUE OF EACH STATE

Percentage Groups	Number of States[a] in Each Group 1933-34	1934-35	1935-36
10.1—15%	11[b]	5[b]	2
15.1—20%	11	6	5
20.1—25%	10	9	7
25.1—30%	6	10	11
30.1—35%	7	5	7
35.1—40%	1	6	9
over 40%	3	8	8

---

[a] Including the District of Columbia.
[b] Including Delaware at 7.7 per cent.

States like the Dakotas, receiving the equivalent of more than 40 per cent of their revenues, were virtually dependent upon federal aid to prevent collapse. Only to a less degree were communities assisted in the states obtaining amounts equal to more than 30 per cent of their revenues. The number in this class increased from eleven states in 1933-34 to nineteen states in 1934-35 and twenty-four states in 1935-36. The figures for 1936-37 when reported will probably reveal a slight recession below 1935-36 but above 1934-35.

How indispensable federal aid was to local budgets and to the recovery of municipal credit may be measured in other ways. Municipalities either insolvent or approaching insolvency because of declining revenues were aided where the assistance was most direct and specific in nature by the federal assumption of the larger share of relief costs. Of the four and a half billion dollars for emergency relief from January 1933 through August 1936, approximately $2,932,000,000 or 66 per cent came from national funds, $728,000,000 or 16 per cent from state funds, and $807,000,000 or 18 per cent from local funds. Under the WPA the allocation of $2,920,000,000 by September 30, 1936, was even larger nationally in the federal payment of $2,642,000,000 and the local payment of but $378,000,000.

Obscured by general allotments, the urban implication is indicated by the apportionment of $2,070,000,000 or 41 per cent of all funds of the FERA, CWA, and WPA during the years 1933-1936 to the counties in which the fifty largest American cities are located. Specifically disclosing the effect on municipal governments is the FERA record in the ninety-three largest cities. Of the $1,902,000,000 of relief funds under this agency, the federal contribution was $1,367,000,000 or 72 per cent, the state aid was $192,000,000 or 10 per cent, while the cities themselves supplied $344,000,000 or 18 per cent. The urban character of the relief problem and the consequent federal aid to cities is again revealed by the concentration of 55 per cent of WPA outlays in six urban states and New York City. That city alone absorbed 14 per cent of all WPA expenditures.

FINANCING PUBLIC WORKS

Parallel with the record of financing relief and the preservation of local solvency has been the accompanying record of financing public works, which has obviously depended upon the maintenance of local credit. The initial public works chapter, formed by the RFC experience, cannot be judged outside the context of the period of 1932-33 when the RFC was authorized to lend to local units. That experience proved that at least at the depth of a depression a system of grants and moderate interest rates must be coupled with loans to induce local coöperation in a national public works program. Restriction of loans to self-liquidating projects eliminated loans based on tax or general revenues and thwarted the desired increase in the volume of spending.

Oft-mentioned as are these vitiating characteristics of the RFC, less well known are the administrative results consequent to its operations. By June 30, 1936, the RFC had authorized loans to public and private self-liquidating enterprises to the extent of $349,700,000, $221,400,000 being disbursed. The repayment of $52,900,000 reduced the total obligations to $168,500,000. After deducting cancellations, the total authorizations are resolved into three classes, indicating the character of the actual operations: (1) private loans $15,400,000, (2) municipal loans $39,600,000, and (3) other public loans $259,000,000. Only two municipal purposes were served by loans of any consequence. Fifty municipalities made up the list of water loans for $18,900,000; and one city, Los Angeles, obtained a power loan for $22,800,000.

The predominating loans to other public bodies meant loans to special districts; and these transactions, in turn, meant loans largely to three districts: $148,500,000 to the Metropolitan Water District of Southern California, $71,400,000 to the Toll Bridge Authority of San Francisco, and $13,000,000 to the New Orleans Belt Railroad Bridge. With loans to three districts constituting well over two-thirds of all credit transactions, the need for planning public works among all communities and prearranging credit machinery is emphatically underlined. This conclusion is reinforced even in the limited field in which the RFC was operative. The two newer social functions of housing and power, later developed by other agencies, each received a total of two loans from the RFC.

The PWA affords a record not of a single program but of multiple programs somewhat obscured by the difficulty of tracing allotments. Of the total of $4,449,000,000 of funds originally allotted to the PWA, $1,251,000,000 were re-allotted to other agencies, $1,557,000,000 were absorbed by federal projects, $136,000,000 were grants to federally built housing projects, $201,000,000 were railroad loans, and $58,000,000 were for the TVA and other federal purposes. The net result was that local and state construction received an allotment of $1,246,000,000 in about three years. The fair conclusion is that important as was the entire PWA record as a necessary part of the recovery program, and vital as was the local phase, the PWA is significant locally as an experiment in the scheduling and financing of public works. The PWA is valuable chiefly as a large-scale and nationwide demonstration in national-state-local coördination and in the devices necessary for its initiation and trial.

PROJECTS FINANCED BY LOANS

The functional emphasis in the allocation of local loans and grants is relevant to the municipal use to which PWA funds were put. Of the billion and a half dollars allocated by November 30, 1936, not far from a third was allocated to buildings ($452,000,000) costing $860,000,000. The reservation of $298,000,000 for educational buildings resulted in construction to the value of $550,000,000. Large urban and small rural units shared alike in this use, the most important functional development of the PWA. The function usually second in rank, highways, received almost one-fifteenth of the funds ($99,000,000), but the larger share was absorbed by states and rural units. Municipal functions were amply recognized in the second and third largest allocations by the apportionment of $227,000,000 to sewer systems and $114,000,000 to water systems. Large sums were expended for bridges, subways, and tunnels, the disbursements being to a relatively few large units like the New York City systems. A number of the newer social functions received comparatively small sums. Recreation was aided by the work relief agencies, not by PWA. The difficulties of undertaking grade crossing elimination required a special program through the Bureau of Public Roads.

Grade crossings are illustrative of the obstacles impeding the scheduling of newer functions with an uncertain legal status and outside the orbit of the usual local budget. Despite repeated blocking by legal rulings or the lack of administrative machinery, housing received its most important American stimulus by allotments of $11,000,000 for seven limited dividend projects and of $136,000,000 for fifty-one federally-built projects demonstrating modern housing throughout the country. The PWA electric power program has been so darkened by misinformation, not to mention court litigation, that the salient characteristics are beclouded. In over three years, $72,000,000 were allotted to 260 public power projects. Municipalities obtained by far the largest number of allotments, 225, but the amount was less than half, $33,000,000. The thirty-five allotments to other public bodies claimed $39,000,000.

New municipal projects were fewer in number but received over twice the amount for existing plants. The thirty-three new city projects were allotted $22,000,000, while the 132 additions or replacements were allotted $11,000,000. The PWA allotment was characteristically to small electric plants: sixty-seven were of less than $10,000, ninety-three projects obtained $10,000 to $100,000, and only seven were allotted over $1,000,000. Aside from the fact that the public plant usually is owned by a small city, another explanation of the relatively small allotments is that sixty-three projects were for uses by the municipal governments, although 162 involved use by resident consumers. Large power developments took the natural form of aid to special districts and authorities, which in turn will sell power to municipalities. Three large projects in Nebraska may be inter-connected and will be able to supply power to virtually all of the Nebraska market.

DEVICES FOR COOPERATION

No less significant to local government, as well as to its future federal relations, were the administrative devices employed to create national-local coöperation. That the extension of grants successfully enlisted local support and caused a large flow of applications is obvious. Less well recognized is that the grant system was successful in spreading public works costs. Federal grants of $725,000,000 were accompanied by loans of $578,000,000 and the local provision of $901,000,000 for projects costing $2,205,000,000; that is, federal grants of $725,000,000 induced local outlays of $1,479,000,000, each federal dollar roughly calling for two local dollars. The record is impressive in demonstrating the feasibility of financing a large-scale program by a sharing of costs. Local units quickly evidenced a desire to coöperate without excessive subsidization. Of the 1935 and 1936 bond elections, 2,166 resulted in votes favorable to PWA borrowing and in only 447 cases were the bonds rejected.

Impediments to national-local coöperation slowing down action, which are likely in a program of heavy construction, can conveniently be analyzed according to a case examination of delays. The main reasons for the failure to begin construction in the analyzed cases were: (1) time consumed in amending applications to conform with PWA regulations; (2) administrative delays because of lengthy procedures or failure to draft bond or financing measures and to acquire land or property; (3) financial handicaps because of proximity to debt limits or other causes; (4) plans and specifications requiring revision because of engineering flaws; (5) incomplete bond transcripts; (6) awaiting court decisions or legislation needed to permit construction; (7) projects awaiting elections to authorize bond issues; (8) lack of familiarity with coöperative action so that one or more divisions, national, state, or local, delayed the necessary joint action.

An analysis of this nature is not a post mortem but was employed during the process of administration to ferret out obstacles and to speed up the program. Here is the genesis of the PWA recommendations for bond and debt legislation, adopted in whole or in part by all except two states, authorizing revenue bonds and special authorities, validating the defects in issued bonds, and simplifying the borrowing procedure. The administrative technique of the PWA shifted from centralization to decentralization. Around the office of each state PWA engineer was built a cohesive staff, comprising complements of engineers, lawyers, finance examiners, and auditors. "As the program developed," declared Administrator Ickes, "the advantages of decentralization became apparent. Decentralization has enabled the PWA staff to maintain close coöperation with the applicants and has resulted in a tremendous increase in the speed with which the PWA has been able to operate." During the twelve months prior to decentralization, four thousand local applications were examined and approved; the same number of contracts were drawn during the two months following decentralization.

The character of the previously stated reasons for delay points to the obstacles to be eliminated by a planned and coordinated organization that anticipates obstacles to construction. The lack of municipal familiarity with advance planning of public works and the consequent faulty applications can be overcome as planning techniques are incorporated into all levels of government. Quickly perceiving the need for planning, the PWA in 1933 instituted the National Planning Board, which later was converted into the National Resources Committee representing various federal agencies. In stimulating state planning by fostering the creation of state boards in all but one state and in continuous assistance to state and local planners through consultants attached to these boards, the framework for intergovernmental planning has been established. Repeated inventories of public works, looking toward local and state habitual use, are familiarizing public officials with the tools for advance planning.

With the creation of a planning framework, the question arises of national-local administration of public works for prosperous periods as well as depression years. The previous sentence would be in error if the separation of prosperous and depression periods would terminate all federal relation to local construction and credit during prosperous years. For activity during a depression is contingent, as recent years have only too amply proved, upon prior planning and continuous machinery. President Roosevelt's recommendation for setting up a department of public works will, if adopted, provide a continuous organization within which a local credit policy may be matured. The approaching end of the PWA program should not be allowed to sacrifice the constructive values to localities of a national credit policy in acting as a regulator of credit and in setting standards for the use of credit and construction of public works. Necessary as are restrictive regulations of borrowing, the positive regulation of the use of credit through a credit agency results in improved standards in a way that no restrictions can attain.

MULTIPLE USES OF WORK RELIEF

Concurrently with the PWA has been administered a series of work relief programs devoid of any direct local borrowing but exercising a pronounced effect on local credit and finance. Indeed the entire structure of the welfare function has been revolutionized. Relief of destitution at the beginning of the depression was largely confined to local private or public charitable agencies. Innumerable "drives" gathered funds for doles to the poor or for promiscuous work relief jobs. The concepts of the Elizabethan poor laws prevailed. Following federal loans by the RFC in 1932 and grants by the FERA in 1933, the national government assumed a large measure of responsibility for relieving unemployment. Under the social security act, the nation participates with state and local governments, not to relieve cyclical unemployment but to care for specific categories of the needy and disabled.

From the dole and commissary relief the progression has been through early work relief to complete work relief with higher pay and living standards and assistance to a wide range of public services. The profound evolution in local as well as national policy is likely to continue even when the temporary relief agencies are displaced by a permanent organization more specifically allocating functional responsibility among governmental levels. Local welfare organization has been improved and local personnel is now well trained, using better administrative techniques, in contrast to the well intentioned but often inadequately trained workers of earlier years.

Important as was federal aid in relieving localities of a large share of the cost of their destitute populations, the result was equally significant in the maintenance of local services. The mounting stringency of local finance from 1929 to 1933 necessarily curtailed many public services. A cessation occurred even in the ordinary and normal upkeep and repair of municipal property. Continued neglect of these services and properties would have hastened obsolescence and permanently impaired the local services of public works, education, health, and safety. When falling tax receipts often made neglect unavoidable, federal work relief filled a serious gap in municipal finance to prevent the costly deterioration of properties and services. Of the WPA projects selected for operation (through September 30, 1936), the total estimated cost of the 37,913 projects for repair and improvement was $1,121,000,000 in comparison to 33,937 projects for new construction costing $832,000,000.

Restated, 43.3 per cent of all WPA projects was for repairs and improvements, 32.2 per cent was for new construction, and 24.5 per cent was for current public services or for projects outside of government. The emergency programs, accordingly, not only aided communities in arresting deterioration of property but enabled them to expand the boundaries of local functions. The expansion was both in familiar services and in fields that previously had received slight local attention. Highway construction and repair exemplifies the familiar services. Previously underfinanced or receiving scant support are the newer activities in recreation, public health, conservation, adult and other education, arts, and research. Federal work relief in these and other functions invites mention of illustrative items that are challenging in the significance of service rendered.

> Roads of 221,860 miles improved and 48,302 miles newly constructed by FERA; and 120,002 miles improved and 44,918 miles newly built by WPA;
>
> CWA expenditure of $934,000,000 in the winter of 1933-34, giving work relief at the peak to 4,269,000 persons;
>
> Pre-CWA employment in 1933 of two million persons;
>
> FERA construction of 1,530 new school buildings and improvement of 31,418 buildings; and WPA erection of 1,878 new schools and repair of 11,764 existing buildings;
>
> Education of 1,825,000 students and employment of 41,101 teachers by WPA;
>
> Recreation allotments of $315,000,000 by WPA for 6,600 projects and the employment of 37,000 leaders for community recreation;
>
> Annual employment of 12,000 to 20,000 for public health services reaching millions in nursing visits, examinations, and corrections; and
>
> Educational aid extended by the NYA in a typical month to 275,200 high school students and 130,000 college students.

The significance of the foregoing and other services is not limited to buttressing the foundation of local functions but comprises stimulation to public and private construction. So much has been discussed concerning this subject and so inconclusive are reports of individual activities that a composite picture is indispensable to put the actual record into focus. Instead of a report solely of federal construction or aid by the PWA, the WPA, or other agencies, the entire record requires tracing for a program in which each agency played a related part.

The salient feature of the record from the standpoint of this analysis is the federal aid to local and state public works and the effect of this construction upon the total volume of public works. Local and state construction had a predepression peak in 1930 of $2,431,000,000, which was financed by $2,335,000,000 of local and state funds augmented by $96,000,000 of federal funds. The precipitous decline in local and state funds to $1,053,000,000 in 1933 resulted in the ebb point of construction despite the increase of federal funds to $430,000,000 (largely highway aid and the first part of CWA). The next year, the CWA and FERA greatly augmented aid to localities, while the PWA federal program went into effect.

The year 1934 marked the turning point even though local funds reached their lowest mark. Beginning in 1934, state and local construction resumed the pre-depression level, except in comparison with 1930. By 1936, the previous peak year of 1930 was exceeded by $913,000,000 to reach a new peak of $3,344,000,000 in local and state construction. To that end, both federal funds and local or state funds each advanced over a half billion dollars above 1934 contributions. A comparison of the columns of total local and state funds and total public construction measures the construction for federal projects. Adding federal to local and state public works, the resulting total public construction constituted the one positive force to change the declining tide in the construction industry.

Private construction, falling from $8,576,000,000 in 1928 to $1,175,000,000 in 1933, has mounted not far from 200 per cent during the past three years. Yet the 1936 private construction of $3,001,000,000 is encouraging only relatively to the worst depression period and not in comparison with earlier years. In essence the deflationary forces, characterized by the marked decline in capital outlays, local pressure for reduced taxes, and stringency in the bond markets, were checked and reversed. The controlled credit inflation restored local and state construction to the pre-depression level, permitted larger federal construction, and stimulated the resumption of private construction.

TOTAL CONSTRUCTION, 1928-1936
(millions of dollars)

Year	Local and State Construction: Local and State Funds	Local and State Construction: Federal Grants and Loans	Local and State Construction: Total Available Funds	Total Public Construction (Includes Federal)	Total Private Construction
1928	$2,206	$ 81	$2,287	$2,484	$8,576
1929	2,100	77	2,177	2,415	7,751
1930	2,335	96	2,431	2,725	5,379
1931	1,997	163	2,160	2,512	3,422
1932	1,403	107	1,510	1,878	1,411
1933	1,053	430	1,483	1,824	1,175
1934	731	1,430	2,161	2,712	1,363
1935	1,009	1,058	2,067	2,616	1,982
1936	1,298	2,046	3,344	3,933	3,001

ADVANCED PLANNING NEEDED

In long-time administrative values, the recovery agencies were replete with examples of the need and benefit of advance planning of public works and of construction not by itself but in relation to other functions. The examples are not merely of future planning to be pigeonholed for possible reference but of planning that was put into effect. The early work relief was acceptable

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The Development of Interstate Government

Thirty-three interstate coöperation commissions have been established to handle those governmental problems outside the jurisdiction of the federal government

HUBERT R. GALLAGHER

District Representative,
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WITH the Court issue still before the country and that in turn revolving around the related question of federal centralization versus states' rights, both parties to the debate might temporarily forsake oratory and examine a significant development of the past two years, namely, the establishment of commissions on interstate coöperation by the state legislatures. These commissions are generally composed of fifteen members: five members of the senate, five members of the house, and five officials, usually cabinet members, appointed by the governor. The commissions which are participating as members in the Council of State Governments are primarily concerned with those governmental problems over which the federal government has no jurisdiction, problems which cannot be adequately handled by one state alone and which require the coöperative legislative and administrative action of other states.

Two years ago at this time coöperation commissions existed only in New Jersey and Colorado—two thousand miles apart. Today, thirty-three states have commissions, and it is expected that at least three additional state legislatures will form commissions during their present sessions. This is of interest because the ground work is now being laid for unified national action looking to a solution of some of the complicated economic problems facing the country.

The action of the recently adjourned New York legislature in continuing its Joint Legislative Committee on Interstate Coöperation for the third successive year—financed by an appropriation of $30,000, twice that of last year—is another indication of the importance of this movement in ameliorating the confusion and conflict in the laws and administrative practices of the states.

The reason for confidence in the future of the coöperation commissions is found in their success of the past two years. Especially is this true in the eastern region where the record of accomplishment of three of the commissions, those of New York, New Jersey, and Pennsylvania, is particularly bright. If there is a tendency to emphasize the work of the commissions in the New York area, to the exclusion of the work done by other such groups, it should be remembered that as pioneers in this movement of the Council of State Governments they have set the pace. Obviously the next two or three years will see the results of the work in this area spread to other sections of the country. Consequently it is probable that the uniform laws, model regulations, and interstate compacts covering such subjects as liquor control, conservation, water resources, highway safety, and crime control, which have been enacted in this section, will be adopted by other legislatures throughout the country as a result of the action of their coöperation commissions.

HIGHWAY SAFETY

Highway safety is one of the subjects with which the coöperation commissions have been concerned. For the second consecutive year the commissions of seven eastern states met with motor vehicle and highway officials to consider highway safety legislation. Of course, it is necessary to point out that by the enactment of the federal motor carrier act many of the highly controversial subjects pertaining to highway regulation were turned over to a bureau of the Interstate Commerce Commission for solution. The regulation of private and contract carriers, the weights and dimensions of vehicles crossing state lines, and restrictions on the hours of drivers are some of the regulatory headaches ducked by the states. As a result of these conferences, however, uniform state legislation was recommended which would implement or parallel the federal motor carrier act and thus make its requirements apply locally.

Statutes requiring the reciprocal reporting of accidents and violations between states and legislation ordering the compulsory instruction of highway safety in the schools were enacted in New York and other states as a result of these conferences.

HOUSE TRAILERS

With nearly two million people now living in three hundred thousand trailer homes and sixty thousand trailers being purchased every year, it is readily apparent that uniform legislation and rules are necessary to cope with the problems arising out of the advent of the house trailer.

In his opening address at the second regional highway safety conference, Harold C. Ostertag, chairman of the New York Joint Legislative Committee on Interstate Coöperation, urged caution in approaching these questions and counselled the conferees against returning to their states and introducing a hodge-podge of trailer legislation drafted hastily without consideration as to what other states are doing. Following this advice, the conference accepted a report of its committee on house trailers which called attention to the lack of basic information on the many phases of the trailer problem and recommended that a study be made of such phases of the problem as registration, taxation, safety, sanitation, and reciprocity. Significantly, the conference urged the states to delay adoption of regulatory legislation "until uniform measures can be worked out." As a result, practically no trailer legislation was introduced in the legislatures of those states represented at the conference.

The New York legislature similarly recognized the necessity of an interstate approach to the house trailer problem when it adopted a resolution asking the Joint Legislative Committee on Interstate Coöperation to undertake with the Council of State Governments a study of uniform legislation and rules regulating trailers. The district secretariat of the Council of State Governments and the staff of the New York Joint Legislative Committee on Interstate Coöperation are at present making a preliminary survey of the problem.

The importance of delaying the enactment of confusing trailer legislation in the different states until some uniform regulations are accepted cannot be exaggerated. If similar commissions had been functioning before the present complicated and confusing set of highway codes, tax laws, and liquor regulations were enacted, the lives of our legislators and incidentally of many of our citizens would be much happier.

LIQUOR CONTROL

Since the repeal of the eighteenth amendment, the regulation of the sale and importation of alcoholic beverages has been thrown back on the states with the result that we have nearly as many systems of liquor control as states. To make it worse, each state has seemingly established its own distinct system with little regard for other states. Price wars between states, boundary battles over importation limits, and unregulated marketing of liquor securities of one type or another, as well as the levying of discriminatory taxes on liquor and alcoholic beverages of other states, are a few of the resultant problems.

Some tendency towards uniformity has been secured through the regulations of the Federal Alcohol Administration. These regulations, however, apply only to liquor goods in interstate commerce. For instance, only nine "wet" states have enacted identical labelling laws which require the same standards in the labelling of local liquor products that are required for interstate goods. Some states do not impose labelling requirements. Others, as in the case of New York, impose additional labelling requirements for a variety of reasons.

In view of this and other divergencies, the chairmen of the New York and New Jersey coöperation commissions, with the assistance of the district secretariat of the Council of State Governments, organized a regional liquor control conference. Liquor administrators, coöperation commissioners, and state legislators of Massachusetts, Connecticut, Rhode Island, Pennsylvania, New Jersey, and New York were present. Three model bills relating to importation limits, labelling of products, and the sale of warehouse receipts, drafted by the attorneys of the state liquor authorities of New York and New Jersey, were on the agenda of the conference. Notwithstanding the fact that each state had its individual system of liquor control, the conferees felt that there were certain matters in which a degree of uniformity was desirable. Thus, there was general agreement that some uniform standard could be attained in the matter of personal importation limits. The present variance among the eastern states as to the amount of liquor an individual might bring into the state for personal consumption was resolvable. Tentatively one gallon was agreed upon as a reasonable measure, and a model draft of a statute containing this provision was approved. Later, however, after committee hearings, the measure was amended to read one quart.

As to the problems involved in the regulation of warehouse receipts, the conferees seemed to favor the model act requiring a special license for the

RECOGNITION

"There should be the closest coöperation, also, with the developing state and local agencies in this field, particularly the state, regional, and local planning boards and the commissions on interstate coöperation which work through interstate compacts ratified by the Congress and through interstate administrative arrangements." From the President's Message to Congress on Regional Planning, June 3, 1937.

sale of warehouse receipts upon the storage of alcoholic beverages.

Similarly, it was felt that adequate labelling could be best secured by authorizing the state liquor authorities to promulgate rules and regulations governing the labelling of alcoholic beverages with the condition that they seek to achieve national uniformity in this field as far as possible.

As a result of the conference the cooperation commissions made these model drafts a part of their legislative programs, and it is probable that at the conclusion of the legislative sessions these measures will be on the statute books in a number of eastern states.

CRIME

Probably in no other field has the drive for uniform state action brought better results than in the control of crime. This is evidenced by the success achieved by the coöperation commissions in checking the activity of commuting criminals and the development of large scale racketeering by plugging loopholes in the laws of the states. One of the most effective agencies in this field is the Interstate Commission on Crime which was organized October 12, 1935, through the joint efforts of the New Jersey Commission on Interstate Coöperation and the Council of State Governments. Later in New York City representatives of twenty-six leading law schools met with the commissioners on interstate coöperation as guests of the New York Joint Legislative Committee on Interstate Coöperation. The legislative program developed at these meetings, consisting of model statutes on close pursuit, extradition, removal of witnesses, and parolee supervision, has been adopted by the legislatures of New Jersey, New York, and Pennsylvania. Taking the country as a whole, the Interstate Commission on Crime, composed of representatives of the various coöperation commissions and under the leadership of its chairman, Judge Richard Hartshorne, in the time in which it has functioned has made an unequaled record in securing the adoption of uniform legislative proposals. At present legislation endorsed by interstate commissions on crime is on the statute books of over half of the states.

SOCIAL SECURITY

The widespread adoption of state legislation implementing the social security act left a large number of problems requiring joint state action in its wake. Many of these problems are being worked out through the joint coöperation of the state and federal social security agencies. Alternative techniques of coöperation such as uniform laws and reciprocal agreements have also been discussed as methods for making more effective the social security program. Thus, the passage of a model law governing the transfer of dependents and the settlement of workers by the legislatures of New York and other states at the request of their coöperation commissions sets a precedent for the enactment of future legislation pertaining to the interstate aspects of the social security program. The uniform transfer of dependents act, now in effect in nine states, establishes the machinery for the negotiation of reciprocal agreements governing both the transfer of dependents and settlement of workers.

BANKING

Despite the fact that the field of banking is considered a national problem our dual banking system has contributed many problems which are a subject for joint action between the states and between the states and the federal government. For instance, the coöperation commissions have suggested amendments which might eliminate certain ambiguities in the state banking laws. Then, too, an effort has been made to eliminate many of the conflicts in the banking laws of the states and the federal government. The conflict between state and federal law regarding the payment of interest on demand deposits is an example.

The competition between the states and the federal government in issuing charters for savings and loan institutions has also resulted in a spirit of antagonism between state and federal authorities. The coöperation commissioners have been concerned especially over the promotional activities of agents of the Federal Home Loan Bank who have not hesitated to enter areas that are adequately served by local institutions in their efforts to charter new banks. The danger here is that there will be a return to that destructive spirit of competition between the state and federal authorities which has been aptly described by some authorities as a competition in laxity. To bring this matter to the attention of federal officials, the New York coöperation committee drafted a resolution memorializing Congress and the federal authorities and urging coöperation between state and federal agencies in the matter of chartering new institutions.

A drive has also been undertaken for the enactment of uniform banking laws. For instance, the New York coöperation committee in its report to the legislature pointed out that since so much of the daily volume of banking business involves transactions between citizens of various states it seems desirable to have as great a degree of uniformity in these matters as possible and for this reason the commission recommended to the legislature the immediate adoption of the uniform fiduciaries act. In this and other fields the coöperation commissions believe that they can "very profitably consider many of the uniform state laws which tend to foster clear and definite rules of law governing banking and commercial transactions." At present, efforts are being made to improve a draft of a uniform bank chartering act, to develop uniform examinations and to consider problems created by the sale of securities by foreign corporations chartered in other states and not subject to the jurisdiction of the Securities and Exchange Commission.

CONSERVATION

Although the coöperation commissions' conservation program centers mainly around the planning activities undertaken by their two regional commissions on the Delaware and the Ohio River basins, nevertheless, a number of conservation bills were introduced as a part of legislation offered by the New York, New Jersey, and Pennsylvania commissions. For instance, the New York joint legislative committee, by the adoption of a formal resolution, went on record favoring a state-federal program for the joint acquisition and administration of wild life refuges, for the undertaking of joint experimental projects, and for the joint stocking of the boundary waters of the state. This resolution has been brought to the attention of the chief of the United States Biological Survey and the Commissioner of the United States Bureau of Fisheries so that negotiations may be undertaken as soon as possible.

The major problem troubling the three states in their relations with each other in regard to wild life conservation is the management and policing of boundary areas and particularly of boundary waters. The coöperation commissions made an effort to secure uniform regulations for the taking of wild life, reciprocal licensing, and joint stocking and policing of these areas. It was felt that it was not necessary, except in unusual cases, to go to the trouble of negotiating compacts between the states involved. It was decided that, under the circumstances, the end could be obtained through reciprocal legislation. Statutes providing for the reciprocal enforcement of violations of fishing laws in boundary waters between New York and New Jersey, and New York and Pennsylvania, as well as legislation relating to taking of fish from the Hudson River, were adopted in New York and Pennsylvania and are scheduled for passage in New Jersey.

PALISADES PARK COMPACT

The outstanding achievement in statesmanship of the New Jersey and New York commissions was the solution of the Palisades Interstate Park impasse. In 1899, in response to a public demand that the natural beauty of the Palisades of the Hudson River be preserved from demolition by quarrymen and other commercial interests, special legislation was passed by the legislatures of New Jersey and New York creating a Palisades Park commission. This legislation provided for the incorporation of two different Palisades Interstate Park Commissions, one in New York and one in New Jersey. The commissions are composed of ten members appointed by the governors with the consent of the senates. Five members of the commissions are required to be citizens and residents of the state of New York and five, citizens and residents of the state of New Jersey. The following paragraphs from the report of the New York Joint Legislative Committee on Interstate Coöperation clearly outline the problem:

> During the past thirty-five years that the commissions have been in existence, they have done a splendid job of administration in so far as park lands under their supervision are concerned. Nevertheless, general feeling has existed that the present system of having two Palisades Interstate Park Commissions is an imperfect method of administration. At one time, due to political exigencies, the governors of New York and New Jersey did not agree on the same appointee and for a period of a year the commission virtually functioned with eleven members.
>
> It seemed to the coöperation committee both reasonable and logical that the activities of these two state boards should be coördinated as one unified commission both to avoid minor and perhaps major difficulties which might arise from time to time, due to the fact that there were really two distinct commissions involved, and also to give permanency to the whole situation.

Legislation was introduced in the 1936 session of the New York legislature providing for an interstate compact between the states of New York and New Jersey setting up an authority, modeled somewhat after the Port Of New York Authority, by the creation of a single interstate commission to manage and operate both the New York and New Jersey sections of the Palisades Interstate Park. Although a companion measure was approved in New Jersey, such strong opposition developed in New York that the bill failed of passage. The matter was kept alive, however, when the legislature requested the Joint Legislative Committee on Interstate Coöperation to investigate and seek a solution of the Palisades Park situation. A hearing was conducted by the Joint Committee on Interstate Coöperation in New York City, November 21, 1936, at the state office building. There were in attendance not only members of the New York and New Jersey state legislatures but also members of the Palisades Interstate Park Commission.

A series of personal conferences were

then instituted with various individuals closely interested in Palisades park affairs in an endeavor to obtain a common viewpoint. Finally, legislation was agreed to which later passed the legislature and was signed by Governor Lehman. This legislation, by providing for the creation by interstate compact of the Palisades Interstate Park Commission as a joint corporate instrumentality for the states of New York and New Jersey, brought to a successful conclusion a problem which had evaded solution since the start of the century.

Too great emphasis cannot be given to the possibilities of this movement. As the commissions and the Council of State Governments grow in strength and become more cohesive they may, as Henry W. Toll has pointed out, ultimately turn aside the trend toward central authority in matters of government to which the states can and should attend themselves. By demonstrating the states' competence to handle these vexing interstate problems it may no longer be necessary to give lip service to the former legal shibboleth of states' rights as the only bulwark against complete centralization of authority at Washington. The success of the coöperation commissions in the eastern area shows the fallacy of believing that when a state is confronted by a problem of government it cannot adequately handle within its own jurisdiction, it must yield all authority in the matter to the federal government.

There is an obvious advantage in dealing with definitely state problems through state authority. The ground work for this undertaking is being slowly and painfully laid. The machinery has been set in motion. The test will come when the coöperation commissions take the offensive in economic fields which in the past have been so clogged with the petty jealousies of individual states, with selfish business and industrial interests tugging their legislatures first one way and then another, that attempts to bring about constructive legislation and progressive administration have often been blocked.

FEDERAL ASSISTANCE

(Continued from page 344)

only because "relief" was given and "work" was provided. Upon the basis of the initial experience, especially with CWA, the later FERA and WPA activities assumed the status of programs based upon the appraisal of projects, local needs, and capacities.

Planning is indispensable both on the local and national levels to tackle the central problem of recurring crises and disorders of municipal credit and finance. Under the influence of the business cycle, the over-expansion of business and later contraction following panics, particularly the depressions after 1837, 1873, 1893, and 1929, resulted in alternate over-borrowing with carefree taxation and acute financial embarrassments with defaults. Each of the booms was accompanied by widespread speculation in the real estate on which local borrowing and taxation rested. Local planning is one method, not necessarily a cure-all, to assure a saner land use and subdivision control and to render public improvements coincident with orderly development rather than a device for brokerage by real estate speculators. The national contribution to stabilization of local finance can be expressed in administrative techniques like the scheduling of public works and by economic and monetary regulation which irons out the curves of the business cycle.

Editor's Note.—This is the second of two articles by Mr. Kilpatrick, the first, "Federal Regulation of Local Debt," appearing in the June issue of the Review.

Developments in the Old-Age Benefits Program

While administration of federal laws is yet in its early stages, the test is already sufficient to prove its general soundness

LeROY HODGES *Director, Bureau of Federal Old-Age Benefits*

THE federal old-age benefits program, in which millions of Americans are now taking part, is no white rabbit pulled from a hat. The idea of a government's making orderly provision to relieve the financial worries of its aging wage earners was conceived many years ago. Laws providing in one way or another for the payment of old-age incomes were enacted in a majority of the world's industrialized nations long before the President of the United States signed the social security act embodying the plan which he had laid before Congress.

Business men, as well as students of social welfare, had from time to time urged the adoption of some plan of old-age insurance, but it was not until we had been brought to a staggering standstill by a nation-wide economic catastrophe that we admitted obsolescent labor's right to something better than destitution.

This program of governmentally administered old-age benefits grew out of the recognition of a few outstanding facts which the depression in the early 30's merely emphasized. The old-age benefits provision of the social security act is the outgrowth of years of observation of existing methods and the study of the experiences of the people in local communities and of the country as a whole. All humanity recognizes that youth must be served, that the aged must step aside, and that, unless the discarded workers have been farsighted enough or able to make provision for their livelihood in their declining years, they must become dependent upon others for support. With the sharp curtailment of employment resulting from conditions prevailing after 1929, the number of aging workers with no income grew suddenly greater. Actuaries have calculated that in about three decades the proportion of the nation's population of men and women over sixty-five years old will be double what it is today.

Not every man lays up money for a rainy day. A great majority are merely careless when it comes to providing for the future. Others fail to get the breaks, and still others find that their judgment was poor and see their earnings of a lifetime disappear. It might be argued that the workers should have protected themselves by taking out some form of insurance, an old-age annuity, or something of that sort, but the fact remains that only a small percentage of Americans do this. The consequence is that millions of men and women find themselves, at the end of their working lives, placed at the questionable mercy of relatives or friends.

Uncoördinated study of the problem of making more adequate provision for aged workers had been going on for some time, but leadership was lacking.

The President of the United States supplied this leadership. He created in 1934 the Committee on Economic Security, which, with the aid of more than one hundred experts, made a comprehensive study of the problem and reported to him its findings early in 1935. The President sent this report to Congress with recommendations that legislation along the lines indicated be enacted. This crystallization of thought revealed that the problem, which by this time had become known as social security, was not a partisan question. The measure was adopted by overwhelming votes in both the senate and the house: 77 to 6 in the senate and 372 to 33 in the house.

OLD-AGE SECURITY A REALITY

Members of Congress and the nation, having recognized the need for such legislation, promptly set about the business of putting it into effect. The President was the commander-in-chief in this war against destitution. He had that vision common to all great leaders, and it was he who assumed the responsibility for carrying on this war. The staff planning was done by competent men, carefully selected, and throughout the organization a spirit of confidence was built up that has been reflected in the operations in the field.

The first objective of this war against old-age dependency has been attained. The first campaign is being brought to a close. Positions all along the line are now being consolidated, and there is a growing demand for inclusion of additional territory, that is, the inclusion of many of those employments not yet covered by the social security act, such as farm labor, domestic service, and service by individuals in the employ of states and cities.

The problems now are time and space and personnel, the important considerations in any campaign, military, social, or business. The setting up of social security accounts for every wage earner in industry and commerce, although one of the largest tasks ever undertaken, is, in its final analysis, simple. It might be regarded as a new application of the three R's—registration, recordation, and reimbursement. The first phase of the campaign was the assignment of account numbers to wage earners throughout the country in the employments specified by the social security act. This has been virtually completed, although it never will be entirely finished because every year brings recruits to the ranks of labor. The second phase, that of maintaining the records of these workers, is proceeding satisfactorily. The payment of benefits, which is the final phase, began with the payment of lump sums to those who have reached the age of sixty-five since the plan went into effect on January 1, 1937, and to the estates of those workers who have died since that date. The payment of monthly benefits will begin in 1942, with monthly checks going to all qualified individuals.

The story of the organization and the early administration of the program for the payment of old-age benefits begins with the agreement reached by the Social Security Board with the Post Office and Treasury Departments for coöperation in the assignment of social security account numbers. The Treasury Department was prepared to take an important part, for it had decided to require employers and employees to file applications for numbers in connection with tax payments. In this regard the treasury assumed an attitude of general helpfulness and did much more than was strictly required by the law. It was the Post Office Department, however, that shouldered the heaviest burden.

The board at that time was faced with the gigantic task of receiving applications from all employees in the broad field of commerce and industry. Exact statistics were not available. No one knew exactly how many workers were engaged in the employments covered by the old-age benefits provisions of the act. In some of the larger industries it was known approximately how many were employed. The Bureau of Labor Statistics accounted for an average of approximately 460,000 persons engaged in the manufacture of automobiles and automobile parts for the year 1936, and they placed the average in the steel industry at 410,000 for the same year. But the program was designed to cover all workers in covered employments, and that takes in even the bootblack in the one-man barber shop if he is paid wages. The best evidence obtainable indicated that there were approximately 26,000,000 wage earners in covered employments below the age of sixty-five, and the development of the program has shown that this estimate was just a little low. Social security account cards have now been issued in response to more than 29,000,000 applications.

POST OFFICE ASSISTANCE

Forty-five thousand postmasters, directed by experienced executive officers of the department, coöperated with the Social Security Board in assigning the account numbers. The first step was the assignment of identification numbers to employers. More than 2,700,000 establishments responded to requests of the postmasters for information as to the number of persons in their employ. This information was the basis of the second major step, the assignment of social security accounts to the workers.

Without confusion and without ballyhoo the trained personnel of the Post Office Department went about the work of taking what, in effect, was a census of a sort never before attempted. Many persons in other government departments shook their heads in doubt, and from all parts of the country came expressions of skepticism. But the job was done. Without a hitch and without delay the workers continued to apply for their account numbers, and the machinery of the wage records office of the board that had been assembled at Baltimore was thrown into gear for the purpose of setting up the individual accounts of the millions of wage earners.

It is difficult for the average man to visualize the work being done at Baltimore. It is perhaps the biggest bookkeeping job ever undertaken and its success has been made possible only by the use of the most modern types of accounting equipment. Absolute accuracy is essential in keeping millions of accounts and is accomplished by the use of machines. Three hundred key punches, one of the largest single installations of these machines on record, are used. Two shifts of operators are working on these punches. On these machines are punched the master name cards of all applicants for old-age benefits, and other machines perform supplemental functions to this work. Nine different processes must be performed by the wage records office before the employee's account can be considered established.

The initial job of setting up the wage records of the millions of workers is nearing completion. Account cards have been issued to all but a small percentage of those who have already applied for social security account numbers, and on June 30th the employers throughout the country began to report to the Bureau of Internal Revenue information concerning the wages paid to their employees since December 31, 1936. The account numbers assigned to the employees will appear on these returns. A record of the wages paid will be kept by the Social Security Board for use in determining benefits. The employer thereafter will make such reports every calendar quarter. To make them properly he will have to have a record of the social security account numbers issued to his employees. This does not mean that the employer will have access to the personal information that the worker has given the Social Security Board. This information will be kept confidential and will be used solely in the administration of social security laws.

Six months ago only a very small percentage of our population had a clear idea of just what the provisions of the old-age benefits program are. Today, the Social Security Board has reason to believe that the wage earners of the country are reasonably well informed on this subject. They know they are accumulating credits against dependency in their old age.

PAYMENTS BEGIN

The third and final operation of the program, the actual payment of benefits to eligible workers, is just beginning. Checks are now going out from the treasury of the United States in payment of claims for lump-sum benefits. The volume of this stream is small in comparison with what it will be when it carries the retirement benefits that will begin to be payable to qualified workers in 1942, but it is, nevertheless, of significant size.

A lump-sum payment is made to a worker with some but not all the requirements for monthly retirement benefits at age sixty-five, or to his estate, if he dies before receiving all the benefits to which he is entitled. The settlement is made on the basis of 3½ per cent of the wages for covered employment received after December 31, 1936.

Claims for such lump-sum payments are being made at the field offices of the board and at its headquarters in Washington. Simple procedures designed to expedite the handling of these claims have been adopted, and the personnel of the board, both in Washington and in the field, has been instructed to give all possible assistance to claimants in the preparation of their claims. This service costs the claimants nothing.

The board's actuaries have calculated that valid claims may be made by 123,000 persons who reach sixty-five during the calendar year 1937. The estimated number of claims filed by workers who become sixty-five prior to 1942 may increase in 1938 to approximately 136,000 and probably will continue to grow slowly until 1942; when a downward trend is foreseen.

The board expects payment of death claims will increase slowly for a number of years. Actuarial figures place the number of valid death claims that may be made during the present calendar year at approximately 191,000. In 1938 it is expected that this number may increase to approximately 194,000 and will continue to grow until 1980, when the figure for 1937 will be about doubled.

Retirement benefits are payable in monthly installments to qualified wage earners who attain the age of sixty-five and retire from work in covered employments. Monthly benefits continue as long as the individual lives, except that they will be reduced for months in which he is employed.

The federal old-age benefits plan places no premium on shiftlessness. It has been argued that the wage earners of the country, assured of an income from the government when they reach the age of retirement, will abandon habits of saving; that they will be content to become wards of the state. As a matter of fact, the plan places a premium on uninterrupted working periods, on good employment records. The man whose social security account shows a continuous yearly wage record of $3,000 will receive more in benefits than the man who some years is paid that much but who drops out of the ranks in other years and works for a lower wage. There is nothing in the act to hinder the individual from supplementing his prospective benefits with his individually accumulated funds or with the receipts from a private pension if he works for a company that has its own pension system.

BUSINESS MEN COÖPERATE

Many workers on the pay rolls of concerns that have set up private pension plans have expressed a fear that they are going to be a lot worse off. This fear appears to be baseless. Actually, only a small percentage of the more than 29,000,000 workers whose accounts are now being set up in the wage records office of the board are protected by private pension plans. There is nothing in the act that would prevent any concern from continuing to afford old-age protection for its employees. Many of the big business organizations that have established private pension plans are revising them in such a way as to supplement the federal old-age benefits program. In some cases the adjustment affected will result in the worker's receiving a total slightly larger than he would have received under the company plan alone. Business, in short, has shown no disposition to take advantage of the worker and say to him, in effect, "Go ahead and take what the government offers you; we're through."

The nation's business men have coöperated in the old-age benefits plan to an even greater degree than many had expected. Isolated cases of active opposition have been reported, but the board's records reveal that an enormous majority of business men in all branches of industry and commerce are giving all the aid possible in setting up this huge program, the only provision under the social security act that is administered wholly by the federal government.

Their coöperation is not difficult to understand. Business men are rapidly coming to the conclusion that the cost of carrying out this program will not ruin them, but will, in the long run, result in more sustained production. It will bring about a greater stabilization of employment, for it will sustain the buying power of millions of men and women. It will open the way for the employment of younger men and, above all, it will relieve business men of a great part of the emergency relief load which, consciously or unconsciously, willingly or unwillingly, as taxpayers and contributors to charity they have always carried in the recurring periods of economic depression.

The criticism of the old-age benefits plan that reaches the offices of the board most frequently is that it does not go far enough. Attention is constantly being directed to the failure to extend the benefits to those workers in what are now listed as the excluded employments. Among these are agricultural labor, domestic service, employment in the crew of a documented vessel, employment by the federal government or a state or an instrumentality of either, and employment by nonprofit organizations, operated exclusively for religious, charitable, scientific, literary, educational, or humane purposes.

Almost everyone knows that the exclusion of many of these fields was not due to any desire to discriminate against

(Continued on page 376)

Tennessee's Second State Reorganization

Centralization of administrative functions, reorganization of finance department, and establishment of merit system significant features of Tennessee's latest step toward efficient government

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IN 1923 Tennessee attained considerable publicity as one of the first southern commonwealths to reorganize its state administrative machinery.[1] This year a second reorganization of major importance has taken place, designed to correct the abuses that have grown up in the past few years as well as to establish procedures not observed in the original reframing of state offices.

Tennessee is unhampered by an extensive roster of constitutional state officers. In addition to the governor, the constitution prescribes the selection by the legislature of a secretary of state, a comptroller, and a treasurer, the selection of an attorney-general by the supreme court, and the appointment of an adjutant-general by the governor. Aside from these restrictions, the legislature is free to mold the administrative machinery into the form required by current necessity.

Prior to the sweeping reorganization effected under the leadership of Governor Austin Peay in 1923, the administrative structure of the Tennessee state government presented the familiar muddle of boards, commissions, and semi-independent officers. The state government had suffered from serious financial difficulties. Between the years 1921 and 1923 an interest in the problems and methods of reorganization developed among business men of Nashville and Knoxville, who financed a survey of the state organization by A. E. Buck. Under Peay's leadership, the resulting recommendations were embodied in a bill which became law on January 31, 1923.[2]

This statute established eight administrative departments: finance and taxation, agriculture, highways and public works, education, institutions, public health, insurance and banking, and labor. Forty-nine statutory offices, boards, bureaus, and agencies of the state were abolished and their functions consolidated in the new departments. The reorganization went so far as to transfer to the new departments some of the statutory duties of the constitutional officers. Each department was headed by a single commissioner appointed without the confirmation of the senate by the governor, and removable at his pleasure. Subordinate officials were to be appointed by individual commissioners, with the governor's approval, subject to such employment rules as might be established by the department of finance and taxation.

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[1] The first reorganization was described by A. E. Buck in an article in THE NATIONAL MUNICIPAL REVIEW of October, 1923, pp. 592-600, entitled "Administrative Reorganization in Tennessee."

[2] Chapter 7, *Public Acts of Tennessee,* 1923.

This reorganization was attacked in the courts of the state, but the act was upheld by the supreme court.[3]

This plan of organization was not allowed to stand unaltered down to the present. As early as 1925, Peay himself signed a bill providing that the commissioner of education should be appointed for a term of two years.[4] Other significant changes were made in 1933. One of the most important was the statute providing that commissioners of departments should be appointed by the governor for terms of two years, such terms to expire with that of the governor. Moreover, the governor's appointments were made subject to approval by a majority vote of the senate. The governor's removal power was limited slightly by the addition of a provision permitting removal of commissioners for cause, but providing opportunity for hearing.[5]

Other changes made in 1933 tended to cut down the powers lodged in the department of finance and taxation by the 1923 act. One piece of legislation created a division of auditing in the office of the state comptroller of the treasury. Post-auditing, under the terms of the Peay reorganization, had been left in the hands of the department of finance and taxation.[6] This function was now transferred to the division of auditing under the comptroller.[7] This step was not open to objection, from an administrative point of view, but the allocation of other duties to the comptroller made at that time is subject to question.

The 1923 law had placed in the department of finance and taxation the power to prescribe forms for financial statements as well as to supervise and examine expenditures. Confusion was introduced by the legislation of 1933 by making the exercise of these powers by the finance department subordinate to similar but ill-defined powers held by the division of auditing.[8] Under the 1923 act, expenditures had been made upon the warrant of the comptroller, after such warrant had been authorized by the department of finance and taxation.[9] The change effected in 1933 eliminated the department of finance and taxation from this procedure.[10]

BUDGET COMMISSION

Again, the Peay reorganization had provided that the department of finance and taxation should be the budget commission. Legislation in 1933 had made this department, the governor, and the comptroller joint supervisors of the preparation of the budget.[11] Transfers of state funds, under the 1923 law, had been made subject to the approval of the comptroller and the commissioner of finance and taxation. By the 1933 act[12] the sole authority to approve transfers was given to the comptroller.

The tendencies evidenced by the changes of 1933 are evident.[13] The powers of the department of finance and taxation, a unit under executive control, were cut down in favor of the authority of the comptroller, a constitutional officer responsible to the legislature. This official was given powers in the fields of auditing, control of expenditures, and the budget. In several instances confusion was introduced in the relationships between the comptroller and the department of finance and taxation.

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[3] *House* v. *Creveling*, 250 S. W. 357.

[4] Chapter 115, *Public Acts of Tennessee*, 1925.

[5] Chapter 92, *Public Acts of Tennessee*, 1933.

[6] *Code of Tennessee*, 1932, Sec. 344.

[7] Chapters 74 and 92, *Public Acts of Tennessee*, 1933.

[8] *Ibid.*

[9] *Code*, 1932, Sec. 277.

[10] Chapter 92.

[11] *Ibid.*

[12] *Ibid.*

[13] These acts of 1933 were signed by Governor McAllister.

The election of Gordon Browning to the governorship of Tennessee in the autumn of 1936 was occasioned in part by dissatisfaction with the administration of the state prior to that time.[14] The most important action of the 1937 session of the legislature, from the point of view of administration, has been the passage, under Browning's leadership, of the reorganization bill,[15] drawn after conferences with the state planning commission and A. E. Buck.[16] In part, the Browning reorganization is a return to the system set up under Peay; in part, an alteration and extension of that system. The first step involved the re-establishment of the principle that the governor should appoint without confirmation the commissioners heading the various departments and that they should hold office only at his pleasure.[17] The number of departments was increased to ten, the two new departments being the department of administration and the department of conservation. The department of institutions was made the department of institutions and public welfare with the intention of allocating to it the administration of the social security program. The commissioners were constituted a cabinet or advisory staff for the governor.

FINANCIAL ADMINISTRATION CLARIFIED

Obscurities inherent in the former structure of the state's financial administration have been largely eliminated. The department of administration, which constitutes the most important creation of this reorganization, is to be composed of the divisions of budget, accounts, personnel, purchasing, local finance, and highway patrol. Minimum qualifications are specified in the act for the executive heads of these divisions.

The director of the budget has power to prescribe forms for the preparation of estimates, to examine and recommend for approval the work program and quarterly allotments for each spending agency of the state government before funds are made available, and to recommend changes in work programs and allotments. He is also required to study the organization and administration of departments in order to foster efficient management. The budget director prepares and submits a budget document to the governor. The act prescribes that the appropriation bill shall authorize only lump-sum appropriations. Executive control of budget preparation had been weakened by the work of 1933. This situation is now corrected by the transfer to the division of the budget of all powers concerning the budgeting of funds formerly exercised by the comptroller, in addition to the transfer of all budgetary powers from the department of finance and taxation to the budget division.

Control of accounts and expenditures is now lodged in the division of accounts. This office is to maintain a system of general accounts embracing all the financial transactions of the state government. It is to approve all documents involving financial obligations against the state and to determine that funds have been duly appropriated and allotted. In the exercise of these and other similar powers the director of accounts replaces the comptroller and the department of finance and taxation as the control agent.

Post-auditing remains in the department of audit established under the administrative headship of the comptroller. The comptroller is relieved of his duties as a tax collector and controlling officer, and the department of audit is now confined to the performance of a current post-audit of all accounts and financial records of the state government and its agencies, the presentation of an annual report to the legislature, the certification of financial statements before publication, and the investigation of any phase of state finance.

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[14] Smith, "New Executive Set-Up Put In by Browning Gives Him Responsibility for Program," *The Knoxville News-Sentinel,* March 10, 1937.

[15] Chapter 33, *Public Acts of Tennessee,* 1937.

[16] Smith, article in *The Knoxville News-Sentinel,* Jan. 26, 1937.

[17] Chapters 10, 11, and 33, *Public Acts of Tennessee,* 1937.

One of the chief faults of the Peay reorganization was its failure to provide a merit system for the state. During his campaign Browning repeatedly indicated his intention of remedying this defect, if elected. Accordingly, a director of personnel was provided for in the reorganization act. A merit system was authorized by separate act.[18] Under this statute, the director of personnel, appointed by the commissioner of administration with the approval of the governor, is given broad powers to establish a complete personnel system for the state. He has general power to prescribe rules and regulations for the execution of the act, such rules requiring the approval of the commissioner of administration and the governor. The act places upon the director the duty of providing employment tests, formulating registers, and certifying persons for employment. He is required to administer day-to-day affairs of personnel management, including transfer, promotions, discipline, leave, and service ratings. He is instructed to develop employee welfare and training programs. He is to establish and administer a classification plan for the state service, and to recommend a compensation scheme.

The powers of the personnel agency are limited by those of the appointing authority in numerous ways where appointment, discipline, and lay-offs are concerned. In general, the appointing official may determine whether a vacancy is to be filled by regular appointment, temporary appointment, reappointment, transfer, promotion, or demotion. Temporary appointments are limited, however. Qualifying tests are to be used for promotions and for induction of present employees into the merit system.

Residence is paid unusual obeisance in the provision that appointments be made as far as practicable from citizens of the state and that the county residence of the employee be considered in order that there may be an equitable distribution of state positions.

Purchasing, formerly a function of the department of finance and taxation, is now placed in the department of administration.

It is of especial interest that the reorganization act foresees the establishment of increasing control over local finance through the creation of a division of local finance. There is crying need for improvement of this type in Tennessee. The exercise of the powers of this division will depend upon the passage of adequate legislation for local budgeting and fiscal control.

From the point of view of administrative science, the most significant features of the present reorganization are found in the centralization of all overhead administrative functions, the reduction of the finance department to a line agency primarily concerned with taxation, and the establishment of the bases of a merit system. Smaller reforms were made in the further consolidation and abolition of extra boards. Much remains to be done to breathe into this administrative structure the life of actual day-to-day observance, but without doubt definite strides have been taken to improve the implements of effective government.

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[18] Chapter 54, *Public Acts of Tennessee*, 1937.

RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmsted

Permanent Registration for Philadelphia.—After many years of diligent effort civic groups were finally successful in their fight to have the legislature enact a permanent registration law for Philadelphia. Governor George H. Earle signed such a bill on March 30th and it became effective immediately. The first registration under the new law was held June 12th.

The first permanent registration law for Philadelphia was introduced in the general assembly in 1925, but it died in committee. Civic bodies throughout the state, appreciating the practicability of permanent registration in other large communities, then began an educational campaign to bring about the adoption of permanent registration for the entire state.

With dauntless regularity bills were introduced at each session of the legislature and finally in 1934 Pittsburgh and Scranton were granted permanent registration laws. Other successes soon followed, and by enactments of the recent legislature permanent registration will be in effect throughout the state.

Under Philadelphia's new law, once registered, an elector's name will continue to remain on the rolls. If he should fail to vote at least once in four years or should desire to change his party affiliation, special forms must be filled out. If a voter moves from one address to another he may have his registration changed by merely writing a request to the registration commission. He need not re-register.

Great care and elaborate detail are provided for the registration procedure. After giving information concerning his residence, age, naturalization, and the other customary searching questions, the voter must sign, under oath, each of three cards on which the information is recorded. If an applicant is unable to sign them he must present affidavits to that effect from two electors who personally know him. The voter may register practically any day of the year at the central office of the commission or in his own district on the days designated by the commission. To combat fraud and the retention of names of persons no longer entitled to vote, elaborate checkups have been provided. The registrar of vital statistics is required to report weekly the deaths of all persons over twenty years of age. Electric and gas companies must report at least once a month all cases of discontinuances of services, and obligations are also imposed upon real estate and rental agencies, and furniture movers. There are also provisions for verification by mail, mandatory as to each registered voter, at least once every four years. The law also authorizes the commission to have canvasses made by the police and registration inspectors.

When the elector appears to vote he must sign a voter's certificate and the election officials must compare his signature there with the one in the register before they permit him to vote.

Although no one is so hopeful as to expect this measure to eliminate all tne registration evils, nevertheless, it is felt that the new law will have a salutary effect and that it may bring about substantial benefits to the voter and to the taxpayer as well.

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Philadelphia Bureau of Municipal Research

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Newark Mayor Seeks to Evolve New City Government Form.—Meyer C. Ellenstein, recently re-elected mayor of Newark, New Jersey, is reported as studying the possibility of a new type of municipal government "combining the best features of city commission, councilmanic, and city managerial forms." Newark is now governed by a city commission. Mayor Ellenstein stated that after proper consultation regarding the matter he hopes to sponsor legislation to enable such a form of government to be placed in operation. He is also working on a plan to bring non-departmental divisions, such as the city clerk's office, the zoning and tax assessment boards, and the law department, in closer touch with the city commission.

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Council-Manager Plan Developments.—The council-manager form of government, adopted fourteen years ago by Knoxville, Tennessee, was cancelled by vote of the state legislature on May 14. The story of this action will be found in the note following.

The city manager committee of the City Club of Chicago is busy despite the recent defeat of the city manager enabling bill in the Illinois legislature. Speaking engagements with various organizations have been carried out and opportunities to spread information on the council-manager plan in this way are being extended.

The city of Lake Worth, Florida, adopted the council-manager plan by ordinance on May 3rd.

Governor Hurley of Massachusetts has vetoed a city manager bill recently passed by the legislature.

In Leominster, Massachusetts, the council-manager plan is receiving much attention. City Councilor Paul R. Nettel, proponent of the plan and chairman of the council committee named to study the proposal, has announced that much information has been secured for presentation to the committee. After several weeks of study a report is to be submitted to the city council for its consideration.

*

Tennessee Legislature Destroys Knoxville's Council-Manager Government.—The seventieth general assembly of Tennessee has amended the charter of Knoxville so as to destroy the city manager form of government and to create a strong mayor type in its place. The amendment, passed as a local bill, abolishes the office of city manager and delegates to an elected mayor all the powers and duties formerly enjoyed by the manager. The mayor will also possess the powers conferred upon this office prior to the amendment; he will preside over the council and may vote in case of tie upon any question before it. A two-year term and a $7,200 annual salary are prescribed. An election will be held next November to select the mayor, who will assume office January 1, 1938. He will not be removable by the council and apparently will not be subject to the state ouster law.

This amendment was passed by the legislature over the objections of the Knoxville charter group, whose efforts to secure a referendum on the measure were unsuccessful. The opposition of the state senator from Knox County, and a petition signed by four thousand citizens protesting the bill, did not prevent its passage in the state senate, by a twenty-to-two vote.

Other amendments to the Knoxville charter provide for a tax arbitration board to hear appeals from the tax assessments placed on property by the tax commission (equalization board); extend the merit system provisions of the charter to cover nearly all city employees; place public school teachers under permanent tenure with allowance for appeal to the board of education in case of dismissal; permit refunding of bonded and funding of floating indebtedness; and revise the tax collection calendar.

The seventieth general assembly passed and the governor approved a total of 232 local or private acts pertaining to individual towns and cities of Tennessee. Of these, eighty-three authorized or validated the issuance of bonds or other forms of indebtedness. This is characteristic of municipal government in Tennessee, where the absence of constitutional home rule has resulted in the incorporation of nearly all municipalities by special acts of the legislature. All municipal corporations have been given the authority, by general law, to levy a two-mill property tax for advertising purposes.

LYNDON E. ABBOTT
Tennessee Valley Authority

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Permanent Registration and Machine Voting for Baltimore.—The way has been cleared for Baltimore, Maryland, to establish a system of permanent central registration and to install voting machines in all of the voting precincts of the city, enabling acts for these purposes having been passed at the 1937 session of the Maryland legislature. An unusual circumstance was that the supervisors of elections were themselves the chief sponsors of these reforms.

Baltimore has had voting machines in twenty-five precincts for several years, but since the legislation authorizing that installation did not provide at the same time for the elimination of any of the election clerks, no economies resulted from their use.

The reforms had the unanimous support of all the important civic organizations, the members of which, together with the supervisors of elections, conducted a public educational campaign for several months. Political leaders also voiced their approval of the reforms. Although the enabling acts as introduced in the legislature were changed before their passage, thus altering somewhat the carefully planned procedure for installing the new systems, the changes may not prove to be insurmountable obstacles.

As the enabling acts were passed by the legislature as emergency measures, the bond issue for the purchase of the machines need not be referred to the voters for approval. The constitutionality of these acts has been tested in the courts in a friendly suit, and was established by the court of appeals this week.

Serving as a basis for public action for these proposals, for the permanent central registration particularly and also for the voting machines, was a series of bulletins made public by the Commission on Governmental Efficiency and Economy emphasizing their desirability.

D. Benton Biser, *Director*
Baltimore Commission on
Governmental Efficiency and Economy

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For Better City Reporting in New Jersey.—The New Jersey Taxpayers Association, as part of a campaign to improve the annual reports of New Jersey municipalities, is conducting a competition in which prizes will be awarded to municipalities submitting the best annual reports. The 563 municipalities in that state have been grouped into twelve classes according to population, with two certificates of merit to be awarded in each class. A handbook entitled "Making Municipal Reports Readable," has been prepared and distributed to officials throughout the state.

*

Expanding Scope of City and Regional Planning.—The increased significance of planning, as directed to the physical patterns and the conservation or development of natural resources, has been emphasized by President Roosevelt's planning message to Congress calling for seven regional bases for a nation-wide program, and the recent national planning conference held in Detroit.

The national conference, attended by city, state, and federal planners, signalizes the emergence of planning as an important social and economic force, in the opinion of Walter H. Blucher, executive director of the American Society of Planning Officials and director of the conference.

Physical planning originally was emphasized in the city plans, he points out, but with the development of state planning, the movement has proceeded on a broader basis, with expanded purposes to help provide a better arrangement of resources for human living. He states: "There was a very great emphasis at the conference on the social and economic aspects of planning, rather than simply its physical aspects. The impressionistic city of the future is engaging the attention of planners less today than are immediate practical problems of zoning, land use, farm tenancy, population trends, and the relation of the plan of a city to the people who live in it."

The following were elected officers of the society: president, Morton L. Wallerstein, chairman of the Virginia State Planning Board; vice-president, Harold L. Buttenheim, editor of *The American City;* directors are Alfred Bettman, retiring president of the society and chairman of the Cincinnati City Planning Commission; Frederick A. Delano, chairman of the advisory committee of the National Resources Committee; Mayor George W. Coutts of Waukesha, Wisconsin; and Mayor Neville Miller of Louisville, Kentucky.

*

Florida Considers Home Rule Amendment.—A municipal home rule amendment to the constitution of Florida, now under consideration by the legislature, was drafted after a survey of the municipal charter problem by the American Municipal Association for the Florida League of Municipalities and a joint legislative committee. The survey revealed that:

> The municipal law of the state of Florida is utterly lacking in uniformity of origin and application, the municipalities being controlled by legislation of widely varying types and effect.
>
> The practice of legislating for individual municipalities by the enactment of local bills has been so extensive as to impede the entire state legislative process, to prevent adequate consideration of measures affecting municipalities, to render impossible any substantial degree of uniformity or stability of municipal government.
>
> A major share of the attention of municipal officials is diverted from their regular duties to legislative matters, and state political issues are injected into purely municipal affairs because of the individual legislative treatment of cities.

According to Clifford W. Ham, executive director of the American Municipal Association, about one-third of the states give cities the power, under constitutional home rule provisions, to deal with municipal problems without specific state legislation. In most of the other states, however, constitutional provisions and state laws still regulate municipal government in great detail, so that the cities must go to the legislature for approval of all changes in municipal structure and powers, even though purely local in character.

*

Home Rule Legislation in West Virginia.—The West Virginia legislature has recently enacted a municipal home rule law to give effect to the home rule constitutional amendment adopted a year ago. Under the new law municipalities in West Virginia have the power to determine the form of government under which they shall operate and to exercise a rather wide range of municipal powers.

*

Open Primary for Michigan.—By action of her legislature at the 1937 session, Michigan joins the ranks of the states adopting the open primary. Disregarding the bill containing the recommendations of the special commission appointed in 1935 to study the election laws of the state which made no such provision, the legislature at that time enacted a measure providing for the more secret type of primary.

On the surface there did not seem to be any compelling sentiment in favor of the change, but the shifting sands of party allegiance in Michigan were by no means conducive to a retention of the closed primary. No reliable statistics are available as to the number of individuals, Democratic nationally, who retained membership in the Republican primary in September 1936 in order to vote for or against Senator James Couzens in his last campaign for renomination. Likewise unknown is the number of those migrating to the Democratic primary to aid or oppose the nomination of Frank Murphy as a candidate for governor. Comments of competent observers, informal inquiries, and the election results themselves strengthen the belief in a high degree of mobility of the voters within the supposedly closed ranks of Michigan party politics.

The provisions of the new statute itself are simple. No change is made in the form or arrangement of the existing party ballots with the listing of candidates upon an office-block basis, and with the prescribed rotation of names. The voter will now be given a booklet of all party ballots being voted upon at that primary from which he separates the ballot of his choice, returning the unused ones to be impounded in a blank ballot box by the election officials. Voting machines must be equipped in such a manner that the voter may not disclose his party preference. The open primary statute likewise repealed the provisions of the existing law providing for an automatic nomination in case there was no declared opposition or competition between candidates.

Indubitably the desire to squeeze out partisan advantage actuated the legislature. Whether the statute will operate as intended, or prove a snare and a delusion, remains for the future to determine.

Charles W. Shull

Wayne University

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President Warns Against Merit System Exemptions.—In letters to Vice-President Garner, at the senate, and to Speaker Bank-head, at the house of representatives, President Roosevelt on June 3rd gave the following caution against weakening of the merit system:

> I have received a communication from the Civil Service Commission which states that, in addition to numerous other bills exempting from the merit system all but minor positions, there have been more than seventy bills introduced in this session of Congress which propose complete exemption for all positions affected thereby. . . .
>
> Aside from the undoubted fact that the merit system affords the best method for administration of government business, the particular feature of the system which has the greatest appeal is the open competition it provides to taxpayers to seek the public employment for which they pay.
>
> Please let me urge upon the Congress the desirability of placing all but policy-forming positions under the merit system.

*

Detroit Citizens League Celebrates.—The Detroit Citizens League, organized in 1912, celebrated its twenty-fifth anniversary with a program of meetings, group discussions, etc., covering two days. C. A. Dykstra, president of the University of Wisconsin, delivered the anniversary address at the dinner in the Masonic Temple.

As leaders of discussion in the group meetings the league was assisted by civic leaders from Detroit and other cities, including George H. McCaffrey, research director of the Merchants Association, New York City; Mayo Fesler, director of the Cleveland Citizens League; Allen H. Seed, Jr., secretary of the City Manager League of Toledo; and Robert E. Garrigan, civic secretary of the Chicago City Club. Henry Bentley of Cincinnati because of illness was unable to attend but prepared a paper on "Citizens' Organization for Political Purposes," which was read by Mrs. W. E. Stilwell of Cincinnati.

Among messages of felicitation was one from Harold W. Dodds, president of Princeton University and of the National Municipal League, who commended the Detroit organization for displaying "a unique power of survival." Detroit's municipal record was reviewed by various speakers, including Lent D. Upson, director of the Detroit Bureau of Governmental Research. It was stated that Detroit's advance in municipal affairs had been peculiarly nonpartisan. The new regime began in 1915 with passage of the Scott-Flowers honest elections law, under which Detroit elections for twenty-one years have been exceptionally accurate and efficient.

It is the continued policy of the league to retain its independence of all other organizations and to emphasize unprejudiced research, especially in making its pre-election recommendations on candidates for local public office. In state affairs the league has furnished leadership in promotion of county home rule, civil service, etc.

W. P. Lovett, *Secretary*
Detroit Citizens League

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Henrico County Retains the Manager Plan.—The citizens of Henrico County, Virginia, (containing the city of Richmond) have once again approved the manager plan. In a referendum held June 29th the vote was 2,886 to 2,263, the largest ever polled in the history of the county.

"For the third time in less than four years," said the *Richmond Times-Dispatch* editorially on June 30th, "the people of Henrico County have spoken on the subject of the county manager form of government, and for the third time they have given that form their unqualified approval. . .

"Yesterday's result was a convincing demonstration. . . It is a triumph which will be reflected importantly throughout the state, for if the county manager plan had been repudiated in Henrico, after a trial of three years, there would have been slight chances of introducing modern governmental machinery into the ninety-six Virginia counties which are still lumbering along with antiquated and creaking apparatus more than a hundred years old. . . Henrico has struck a blow of epochal importance. It is to be hoped that we have heard the last of efforts to overthrow the manager plan in that county."

*

San Mateo County Votes to Elect Its Manager.—On June 29th San Mateo County, California, voted to place the appointive officers of county executive (manager), treasurer, coroner, tax collector, recorder, and engineer on the elective list. The vote was 6,722 to 5,262, a total of 12,000 out of a registration four times as great. A second question to retain the present system of appointing the county executive was defeated by a vote of 5,338 to 6,298. This amendment to the county's charter must now go to the legislature in 1939 for ratification, unless a special session is called which seems unlikely at the present moment.

*

An Appraisal of County Consolidation in Georgia.[1]—On January 1, 1932, by vote of the people in the affected territories, Georgia's capital became the situs of a large-scale county consolidation program. Fulton County, of which Atlanta is the county seat, "took in" the adjoining counties of Campbell and Milton, thus enlarging itself three-fold and reducing the total number of Georgia counties from 161 to 159.

Five years have elapsed since that expansive gesture, and it is possible to appraise the results of the merger for all concerned, as measured by tax rates, better roads, school facilities, and a host of other public services.

Without attempting a profit-and-loss generalization, it is a fact that the merger has been distinctly profitable, financially and otherwise, for the two smaller counties. Their citizens are vastly pleased, and would be silly to feel otherwise.

There has been no intrinsic gain for large and powerful Fulton County, which, indeed, has shouldered an actual loss in dollars and cents. Fulton, however, has gained in prestige through sheer size alone, and its residents have accepted the one-sided financial bargain with complacency, feeling that such consolidations actually aid the cause of better government and are thoroughly justified as long-range developments.

So there has been no complaint, to date, from anybody. Even the one-time officeholders of Campbell and Milton, whose jobs were abolished by the merger, have been, in the main, provided with acceptable Fulton County posts, and the old courthouses have been turned to other uses.

In Campbell the former courthouse is now a community building devoted to civic purposes, with an auditorium and facilities for recreation. County and federal funds have aided in its remodeling. No extensive remodeling has been undertaken as yet in what once was Milton County, but the old courthouse is used for many public purposes.

Atlanta is the largest city in Georgia, and Fulton County always has borne a lion's share of all state taxes. Prior to the merger, Fulton had an area of 187 square miles, to which were added 211 square miles from Campbell and 145 square miles from Milton.

Fulton now has 1 per cent of the area of Georgia, and 11 per cent of the state's population. It has 23 per cent of Georgia's taxable wealth, and pays better than 25 per cent of all state taxes.

Prior to the merger, Fulton had taxable assets (in 1931) of $271,838,740, which were increased only 1.14 per cent by the addition of $2,900,000 from Campbell and $1,200,000 from Milton. Total taxable wealth of the consolidated counties now is upwards of $300,000,000, most of the increase occurring in what was originally Fulton.

In tax payments alone residents of the two smaller counties profited greatly through consolidation. Campbell's former tax rate was 3.25 per cent and Milton's 3.2 per cent. Fulton's rate of 2.25 per cent now is applicable.

Prior to the merger Fulton County had 474 miles of paved roads, Campbell had 17 miles, and Milton had no paved mileage.

In the last five years about $25,000 monthly has been spent in the construction of roads and bridges in Campbell and Milton. Most of the money has gone to make all-weather roads out of narrow, ill-kept, backwoods trails, which often were impassable in bad weather. In addition, Milton now has a twelve-mile stretch of pavement bisecting the county and providing an essential link in an important north-south highway.

These good roads have played an important part in the success of the merger, for one of the principal arguments advanced against the plan was that residents of old Campbell and Milton would be put to intolerable inconvenience attending court in Atlanta and in the transaction of other public business. There are still slight inconveniences because of their distance from the seat of government. None the less, residents of the annexed areas have no hesitation in expressing the feeling that the advantages of consolidation have thus far outweighed its disadvantages.

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[1] Prepared by and reprinted with the permission of Editorial Research Reports, Local Affairs Service, Chicago, Illinois.

No organized public health service was regularly available in the two smaller counties prior to consolidation. Routine services now rendered by the central government include physical and dental examinations for school children and sanitary regulations in all affected communities.

One tangible result has come through costly drainage projects, through which some three thousand acres of overflowed bottom lands were reclaimed for cultivation in Campbell and Milton, thus relieving fifty-six square miles of territory of serious malarial conditions.

In 1931 (the twelve months preceding the merger), Campbell County spent $56,354 on its school system, a seven-months term was the rule, and teachers' salaries averaged about $75 a month, or $525 for the full term.

In Milton school expenditures in 1931 totaled $37,000, the term was seven months, for which teachers' salaries averaged $50 monthly, or a total of $350.

In the last five years the merger has resulted in the spending of $325,500 for new buildings alone in the annexed areas; all schools throughout greater Fulton County now operate a full nine-months term and teachers' salaries average $100 monthly for ten months each year.

Contrasted with 1931 expenditures, noted above, Fulton County in 1936 spent $103,850 for school operation in what once was Campbell County, and $75,316 in what once was Milton. The entire county school system cost $888,000 last year, not including the city of Atlanta, which operates its schools independently.

The merger involved no large-scale absorption of debts by Fulton County. Campbell County had about $150,000 in bonded indebtedness; Milton had no outstanding bonds and brought in cash assets of $18,000.

All told, however, expenditures in the annexed territories have exceeded tax revenues by about $100,000 annually in the last five years.

Ed H. Bradley

An Alternative Form of Government for Westchester County, New York.—For the fourth time in a dozen years, the state legislature has approved a plan of government for Westchester County (chapter 617, laws of 1937), which the voters of the county will have an opportunity to adopt or reject next November. While drawn under the liberalizing provisions of the constitutional amendment of 1935, the act follows the cautious device of leaving several of the more notable departures from the existing governmental set-up to possible future consideration by the electors, after the act is adopted.

If approved, the act becomes effective in January 1938. The principal innovation is provision for an elective county executive, to be chief executive and administrative officer and official head of the county government, for a four-year term at an annual salary of $20,000. He has the power of veto over county acts, subject to their repassage by a two-thirds vote, and extensive powers of appointment and removal of county officers. The executive is thus clearly separated from the legislative branch of the government.

The board of supervisors, composed at present of forty-two representatives from the towns and cities, continues unchanged by the adoption of the act. It is made possible, however, for the electors to vote subsequently on the abolition of such board and the creation of a county board of from ten to twelve members, elected for a term of four years from districts determined by the board of supervisors as nearly as practicable upon a population basis.

County functions are reorganized and consolidated under eight departments: budget, finance, public works, public welfare, health, law, probation, and planning (new); three commissions: tax (new), park, and recreation; three boards: acquisition and contract (new, *ex officio*), elections, and health; six elected officers: county judge, surrogate, judge of children's court, sheriff, district attorney, and county clerk; and five appointed officers: personnel officer (new), medical examiner, commissioner of jurors, public administrator, and calendar clerk.

The act leaves subject to future referenda—to be called optionally by the board of supervisors or compulsorily upon petition of qualified voters equaling 5 per cent of the gubernatorial votes at the last election—three of its more striking features, viz., replacement of the board of supervisors by a county board of ten to twelve members; creation of a county department of assessment, in place of local assessors, to assess all taxable property, except special franchises, for state and local purposes; and creation of a county debt commission with power to control the indebtedness of the county and subordinate units and to enforce prescribed limitations on local indebtedness.

A comprehensive budget procedure is included, covering both a current and a six-year capital program. The act also authorizes contracts between government units for the joint operation or transfer of any of their governmental functions.

AUDREY M. DAVIES
Institute of Public Administration

TAXATION AND FINANCE

Edited by Wade S. Smith

New York Municipalities to Tax Utility Receipts.—At least forty cities in New York State are planning to take advantage of a law enacted at the last session of the legislature to place a municipal tax on the receipts of utility companies, according to a recent announcement of State Tax Commissioner Mark Graves. Gross receipts taxes on public utilities already accrue to municipalities in at least three other states, among them New York's neighboring New Jersey; this being in addition, of course, to receipts taxes levied locally according to terms of special franchises.

The recently adopted New York statute repeals one which previously permitted New York City only to levy a 3 per cent tax. The new law permits municipalities throughout the state to levy a 1 per cent tax, while another 2 per cent is levied by the state itself. The law became effective on July 1st.

New York City has already passed its local law authorizing the 1 per cent levy to which it is now restricted, the bill being before Mayor LaGuardia for signature as this is written. Last year, under the 3 per cent levy, the city received some $18,500,000 from this source. It is believed that collections for the first six months of 1937, with the old rate still applying for that period, will be about half the total 1936 receipts.

Wisconsin Back Tax Collections Improve.—An interesting portrayal of improving back tax collections comes from Wisconsin, where, according to information recently released by the Wisconsin Taxpayers' Alliance, property taxes sold for non-payment last year were approximately half those sold in the peak year of 1933. The liquidation of delinquent taxes is particularly significant because of the unusual tax collection system under which Wisconsin operates.

Property taxes in Wisconsin are collected with a dual priority as to the disposition of tax receipts. Taxes are first collected by the city collector, and collections on account of city, county, and state tax levies are retained by the city during this period up to the full amount of the city levy. Then, in March following the year of levy, the delinquent taxes are returned to the county, which applies all back taxes to its own account until its claims are satisfied in full. When 100 per cent of the county claims have been met, back taxes are again distributed to the municipality. If current delinquency is slight, the cities obviously benefit; but during periods when delinquency is high, such as those recently experienced, there is a considerable lag in the cities' receipt of back taxes. The decreasing amount of back taxes going to sale, indicating a higher proportion of actual liquidation of back tax charges, is therefore an encouraging sign that Wisconsin municipalities are now beginning to enjoy not only improved current collections but also the delayed receipt of delinquent taxes necessary in many cases to liquidate depression-incurred deficits.

Property taxes sold by the seventy counties and the city-county of Milwaukee reached their peak in 1933 at $24,000,000, according to data released by the alliance. They dropped slightly to $21,900,000 in 1934, then fell more rapidly to $16,100,000 in 1935. In 1936 they amounted to $13,700,000, or only slightly more than half the 1933 level. Only about 7 per cent of the taxes sold were taken by private bidders, 93 per cent, or $12,800,000, being bid in by the offering counties. The drop in tax sales last year under ordinary tax enforcement provisions is the more encouraging because Wisconsin is one of the many states which during the depression period enacted legislation delaying tax sales and otherwise effecting a moratorium on property tax enforcement provisions of its law.

Tax Limit Proposed in Illinois.—A bill looking toward amendment of the Illinois state constitution to impose a 1 per cent overall tax rate limit on property tax levies was recently introduced in the Illinois legislature. It would also require electoral approval of general obligation bond issues.

The bill, which is backed by the organized real estate interests, would exempt debt service, and limit all other property taxes to 1 per cent on urban property and 0.7 per cent on rural property. The rate limits would be based on so-called "fair cash value." (Assessed value at the present time is legally fair cash value, but has been officially determined to average 37 per cent of full value throughout the state.) Further, the approval of 60 per cent of the voters voting thereon would be required to validate any bond issue to be supported by property taxation. The proposed amendment would alter article IX of the state constitution, and would not take effect until January 1, 1940. Service on debt incurred prior to that date would be serviced from unlimited taxes. Municipal corporations would be barred from levying taxes on income derived from any source.

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Unofficial returns from the June 1st general election indicate that the Georgia constitutional amendment to exempt homesteads from taxation was adopted by a large majority. The proposal applies to state and county property tax levies only, and would exempt the first $1,500 to $2,000 of homestead valuation, and personal property up to $300.

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The new Wilcox municipal debt readjustment bill, to overcome the deficiencies of the municipal bankruptcy act declared unconstitutional by the United States Supreme Court last year, has been passed by the house of representatives after favorable recommendation from the rules committee.

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A 2 per cent increase in the local debt limit was effected by the New Jersey legislature prior to its recess recently, when it increased the debt limit for school districts from 6 per cent to 8 per cent of the average assessed valuation. Municipalities have a 7 per cent limit, so the combined debt limit of cities with contiguous school districts (in other words, all cities within the state) is now raised from 13 per cent to 15 per cent.

The local sales tax ordinance recently adopted by the city of Savannah, Georgia, has been temporarily estopped by court injunction brought by local merchants.

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The New York State legislature before adjourning restored New York City's penalty on delinquent property taxes to "normal." During the depression period, coincident with the advent of Fusion, the penalty was raised from 7 per cent to 10 per cent per annum, with beneficial results. The amended law will allow a 7 per cent penalty prior to January 1, 1934; continue the 10 per cent penalty from January 1, 1934, to May 1, 1937; and apply 7 per cent after May 1, 1937.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

P. R. Constitutional in New York State.—On June 2nd the New York court of appeals, the highest court in the state, ruled in a six-to-one decision that P. R. is constitutional. This momentous decision, ending a controversy more than half a century old, removes the last obstacle to the use of P. R. next fall in our largest city. It also clears the way for the adoption of P. R. in other New York cities, which gained the right from this year's legislature to amend their charters by petition and popular vote. And it is bound to have a profound influence on judicial decisions in other states, many of which have constitutional provisions based on the language in New York's constitution under which the constitutionality of the adoption of P. R. in New York City was attacked.

The prevailing opinion, eighteen pages long, was written by Chief Judge Crane, Judges Hubbs, Loughran, and Finch concurring. Judge Lehman concurred in a separate opinion and Judge O'Brien with the simple statement that he "concurs in result on the ground that chapter 43 of the charter providing for proportional representation is not so clearly in conflict with article II, section 1, of the constitution as to require a declaration of invalidity." Judge Rippey dissented in an opinion of sixteen pages. The majority verdict upholds the decision of Supreme Court Justice Church in Manhattan (In the matter of the application of John C. Bowe, et al., petitioners, for a peremptory order of mandamus against S. Howard Cohen, et al., respondents); and reverses the decision of Supreme Court Justice Brennan in Brooklyn (Loretta F. Johnson, plaintiff-respondent, against the City of New York, et al.).

Brushing aside the city's contention that the city home rule amendment strengthened the case for constitutionality, the court based its favorable decision squarely on an interpretation of article II, section 1, which provides that "every citizen" having certain prescribed qualifications "shall be entitled to vote at such [any] election in the election district of which he or she shall at the time be a resident, and not elsewhere, for all officers that now are or hereafter may be elective by the people." In so doing it directly contradicted the reasoning of the Michigan and California courts, which ruled P. R. unconstitutional in the Kalamazoo and Sacramento cases[1] on similar wording, concurred in the interpretation of the Pennsylvania supreme court in a case on limited voting[2] and went beyond the favorable decision on P. R. in Ohio,[3] which was based primarily on city home rule.

"The main argument against the constitutionality of this chapter," says Judge Crane in his opinion, "has been that the proportional voting system permits the voter to select but one of the councilmen from his borough" although the voters of each of the boroughs except Richmond are to elect several councilmen together from the borough at large. Opponents argued that this was a violation of the right to vote "for all officers."

Discussing this objection Judge Crane says: "Assuming that the borough of Brooklyn is entitled to twelve councilmen, it is conceded by everybody that the borough could be divided into twelve districts and one councilman elected from each district. This would give Brooklyn twelve representatives in the council, and yet the people of Brooklyn had only voted for one out of the twelve. This is said to be legal, and this is the method insisted upon by the opponents of proportional voting. Remove the artificial lines creating the districts, and give Brooklyn the same twelve men in the council, it is said to be illegal if the people can only vote for one of the twelve. What is the magic in these artificial lines that creates such a difference in result with little or no difference in principle?"

The opinion goes on to point out that the purpose of the language in dispute was not to control election methods, so long as they treated all voters alike, but to remove certain property restrictions which had limited the rights of voters and limited them unequally up till the time when the language was adopted in 1821. It cites a long list of acts of the legislature which prescribed limited voting for various purposes, dating back to 1842, to show that the legislature did not think the constitution required giving the voter a right to vote for as many candidates for a particular office as were to be elected in his district. Limited voting "was carried on in the City of New York, first for supervisors and then for aldermen, for a continuous period of thirty years from 1857 to 1887 . . . and was never declared unconstitutional."

After disposing of the main objection Judge Crane continues:

> The other objections have to do with the manner of voting and of counting the ballots. . . . It is insisted that a voter must be given the right to have his vote counted at all times and under all conditions for the man he voted for as his first and only choice, irrespective of the fact that the man may have been elected before his ballot was reached; and secondly, that it is illegal to have the number of councilmen dependent upon the number of votes cast in the entire borough. In other words, *actual* representation according to numbers is illegal, although *unequal* representation according to unequal districts is legal. I cannot follow this reasoning.
>
> We must always be careful in approaching a constitutional question dealing with principles of government, not to be influenced by old and familiar habits, or permit custom to warp our judgment. We must not shudder every time a change is proposed. Many times those who are strongest for efficiency in business are loudest in their protest against efficiency in government. At least this Hare sys-

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[1] *Wattles ex rel. Johnson* v. *Upjohn,* 211 Mich. 514 and *People* v. *Elkus,* 59 Cal. App. 396.

[2] *Commonwealth ex rel. McCormick* v. *Reeder,* 171 Penn. St. 505.

[3] *Reutner* v. *City of Cleveland,* 107 Ohio St. 117 and *Hile v. City of Cleveland,* 107 Ohio St. 144.

tem of proportional voting is an attempt to make representative government a reality. It is common knowledge that many of our districts are so divided that equality of representation does not exist. This proposed system may be unworkable, it may be so cumbersome or so intricate as to be impracticable, the results desired may not be obtained, the remedy may be worse than the disease, but what have all these to do with the constitution? If the people of the City of New York want to try the system, make the experiment, and have voted to do so, we as a court should be very slow in determining that the act is unconstitutional until we can put our finger upon the very provisions of the constitution which prohibit it. It has been our repeated admonition that legislation should not be declared unconstitutional unless it clearly appears to be so; all doubts should be resolved in favor of the constitutionality of an act. This court has repeatedly stated that the wisdom of legislation is not for us to determine.

The Hare system of proportional voting has been used in Cincinnati, Toledo, Wheeling, Hamilton (Ohio), Boulder (Colorado), Winnipeg, Calgary, for the provincial legislatures of Manitoba and Alberta, in all elections in the Irish Free State, in the election of nine university members of the British House of Commons, in Australia, New Zealand, South Africa, and Denmark. This statement I take from the briefs, as it has not been questioned. We cannot say, therefore, that it is a mere dream or speculation. It has been used and found to work. Can the people of the City of New York under our constitution try it? That is the sole question.

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P. R. Now Optional for New York Counties.—As related in a last minute note on page 316 of the Review for last month, Governor Lehman signed the Desmond-Mailler optional county government bill, which makes proportional representation available by petition and popular vote for all counties outside New York City, along with many other improvements in the structure and operating methods of counties and local government units within them. The bill passed both houses unanimously in the last two days of the session. It becomes chapter 862 of the New York laws of 1937 and establishes a new chapter of the consolidated laws, to be known as the optional county government law.

P. R. is made optional for county boards of supervisors in connection with any of the forms of government provided. The question of adopting P. R. may be submitted, either separately or with other changes in a single combined question, at any general election. The question may specify either a partisan or a nonpartisan ballot. In a county which has a city with more than a quarter of its population, that city and the rest of the county may be polled under P. R. as two separate districts; otherwise P. R. elections are to be held at large.

In a county which adopts P. R. the present arrangement of having town supervisors represent the towns on the county board will be discontinued. The town supervisors will continue as town administrators and the county supervisors will serve for county purposes only. City supervisors will be abolished, unless continued by city local law for city purposes.

The adoption of P. R. will carry with it the use of the corresponding Hare system of majority preferential voting, known as the alternative vote, for other county offices, thus eliminating all need of primaries for county elections.

One of the combinations available under the new law is the one recommended in the National Municipal League's model plan of county government, the county manager plan with a board elected by P. R. If this plan is adopted in standard form, supervisors and judges will be the only county officers elected at the polls. There are numerous optional variations.

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Pennsylvania Bills Fail Again.—The Pennsylvania legislature has adjourned once again without passing the bills to allow Philadelphia and Pittsburgh to vote on the adoption of the city manager plan with P. R.

The Philadelphia bill was sidetracked because of the appointment of a charter commission to draw up a plan for a consolidated government of the city and county of Philadelphia and report to the legislature not later than 1939. This commission will undoubtedly give P. R. and the manager plan serious consideration.

The Pittsburgh bill, after passing the house of representatives unanimously, was held in committee in the senate. Since both houses were under Democratic control, this action represented a change of heart on the part of the Democratic leadership of Pittsburgh, which must assume full responsibility for the bill's defeat.

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The Last Spanish Election and the Civil War.[1]—General Franco's national government, in a manifesto advertised in the English press, claimed that although in the Spanish election the left gained a large majority in seats, nevertheless the right polled more votes than the left. It is instructive, and perhaps a warning, that an unfair system of election should have been put in the forefront of the justifications for the armed rebellion. The general election was certainly one of the events that led to the civil war. It is important to examine what took place, and not merely because of the historic consequences of the election. The facts have some bearing on the armistice proposals of the French and British governments; they may be of value in discussions on the future of government in Spain.

In considering the Spanish election two points should be borne in mind. First, the elections were not "made" by the present government; the prime minister was Senor Portela. Second, the method of election was not new; it was of old standing; its unfairness was understood; both parties, right and left, must bear the blame for maintaining it, for reform had been proposed; probably both preferred the gamble and the possibility of an overwhelming victory. In any case, the Spanish government, like the British government, was duly elected in accordance with the existing law, fair or unfair.

What then was the method of election? Each constituency returned several members but the electors were entitled to vote only for a limited number of candidates, that is, for less than the full number of members to be elected. Madrid elected seventeen and the electors were entitled to vote for thirteen; Barcelona elected twenty and the electors could vote for sixteen. The party or combination of parties which obtained a majority of the votes could in Madrid win thirteen seats and the largest minority, even if nearly equal to the majority, could win only four.

It was the method of election that gave birth to the popular front. The left parties knew that by presenting a joint list of candidates they might secure the special advantage which the law conferred upon a majority. Everywhere joint lists were arranged. In Madrid, the list of thirteen comprised five left Liberals (including Senor Azana), seven Socialists (including Senor Caballero) and one Communist. The Communists were allotted one candidate out of thirteen, an indication that they were, even in Madrid, a small party. The formation of a popular front led to the formation of lists of the right, combinations that included Conservatives of different types, Monarchist and Republican, and also, in a large number of districts, candidates belonging to center parties.

In Madrid the result, taking the votes polled by the highest candidate on each list, was as follows:

	Voters	Seats
Popular Front	225,442	13
Right Front	187,434	4

The popular front secured the great advantage which fell to the majority; in Barcelona, similarly, the popular front gained sixteen seats out of the twenty. There are no means of ascertaining the separate strengths of Liberals, Socialists, or Communists within the popular front, or of the diverse elements of the right combinations. In Catalonia, the right list was formed principally from the Catalan League; in the Basque area from the Basque Nationalists. There were in addition a considerable number of constituencies in which there were lists of candidates, center parties, which were not affiliated with the main groups.

The "definitive results" published in *El Sol* on March 3rd, 1936, gave fairly complete figures for the principal opposing lists, but for the reasons stated the votes for right and center cannot be shown separately. The election results for the country as a whole were in round figures as follows:

Party	Voters	Seats
Popular Front	4,540,000	265
[a]Right and Center	4,300,000	192

[a]Including Catalan League of the right with 400,000 votes.

The voting for the two groups was nearly equal. The Basque Nationalists, 130,000 in number, are also sometimes grouped with the right, but it seems that they should rather be added to the left, since their leader has become a member of Caballero's government. On the other hand, the right total does not include any votes cast for candidates of the center who were presented in independent lists. These lists elected only seven deputies; for the most part the votes for these lists had no effective value. The full figures for the center parties are not available, but if they were it would be a moot point to which side, if any, they would belong, as center candidates were in some constituencies allied with the left and not with the right. The general conclusion on the figures available is that the two main parties or coalitions were very equally supported among the electorate, but that the balance was in favor of the left. Certainly, there was no majority for armed rebellion.

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[1] Reprinted from the *Manchester Guardian* for December 28, 1936.

The facts which an analysis of the election discloses are of considerable importance. In the first place, Spain is neither Communist nor Fascist; these groups had but a few candidates; in a chamber of 473 members there were only fifteen Communists. Secondly, it seems clear both from this and from preceding elections that what Spain desired was a Republican government, a government of the left center. Thirdly, the electoral law of Spain promoted the artificial division of Spain into two mutually hostile political armies, and this gravely intensified the bitterness already existing between the various groups. The two-party system led, not to national government, but to civil war. Fourthly, the inclusion of Communists in the popular front, although they formed so small a part of it, has made possible the grossest misrepresentations both in Spain and in Great Britain of the popular front government. But it must be added that it would seem that the Communists have, since the election, exercised an influence more proportionate to their intensity than to their numbers.

Postscript. Election returns are sent to the secretariat of the Cortes, and, after the article above was written, a letter was received by the P. R. Society from Senor Herrero of the secretariat. This letter stated that as the parliament had been transferred to Valencia, the writer was unable to give full details, but that the totals were as follows:

Popular Front and Basque Nationalists	4,838,499 votes
Right Party Coalition	3,996,931 votes
Various Center Parties and Lists (including Senor Portela's)	449,320 votes

In these figures the Basque Nationalists are included with the left, and a somewhat larger majority is shown for the left than in the totals given in the foregoing article.

Whichever figures are taken, it is clear that both left and right had substantial support, nearly equal in amount. Both groups included much moderate opinion. These facts should be emphasized because they strengthen the grounds for mediation between the contending forces and for an armistice that would pave the way for a government acceptable to the great majority of the Spanish people, a government neither Fascist nor Communist.

JOHN H. HUMPHREYS, *Secretary*
British P. R. Society

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Hamilton County Taxpayers' League (Chattanooga, Tenn.).— Within the past eighteen months the Hamilton County Taxpayers' League has been instrumental in preparing and having passed by the city of Chattanooga a budget control ordinance, which, according to city officials, is proving to be very satisfactory. The first year of its operation finds every department of the city government finishing the fiscal year within its budget for the first time in many years. Mayor E. D. Bass, in a statement to the *Chattanooga Times* at the end of the city's fiscal year, said: "I consider the budget control ordinance highly beneficial. As an example, every department of the municipal government will finish the current fiscal year within its budget. All the departments had their budgets augmented by special appropriations as the needs arose, but at no time was any department permitted to incur obligations which were not backed up either by the original budget or special appropriations."

Within the past eighteen months the county court of Hamilton County proposed the issuance of over a million dollars in county bonds without a referendum in connection with certain PWA projects. Our league sponsored and presented, as provided by law, a petition signed by several thousand taxpayers and forced the county court to hold a referendum. Prior to the referendum, after exhaustive research, the league published and sent out to the citizens of the county a pamphlet entitled *Facts,* containing much matter pertinent to the issues involved in the referendum.

For the past year the league has been engaged in an effort to obtain from county officials a clear statement of the county's financial condition, insisting on a complete audit covering all funds rather than the statistical statement which has heretofore been issued.

In addition to the activities mentioned above the league has coöperated with various local and state organizations on problems of taxation and efficiency in government; the league's library and statistical matter have been made available to high school students and to students at the University of Chattanooga and the University of Tennessee in connection with their work in the science of government; and our officers and members have served on numerous committees of the chamber of commerce.

Anne Prigmore, *Executive Secretary*

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Des Moines Bureau of Municipal Research.—The bureau was successful in its effort to secure state legislation which prohibits the city from including on the revenue side of its budget estimates of receipts from licenses and fees in excess of the amounts actually received from these sources during the previous twelve months. This piece of legislation also requires the city to allow 5 per cent for uncollectibles—the estimated normal delinquency. This measure should end the so-called miracle budgets.

The bureau was also successful in preventing the passage of the bill introduced by the city hall to legalize $112,000 worth of city warrants which had been held to be illegal by the state supreme court. Such legislation would have wiped out all the sting and stigma imposed on the former city council by the supreme court as a result of its gross overestimation of its income other than taxes in order to spend more money, which resulted in a $240,000 deficit in 1935. Some time, all or a part of these warrants will have to be repaid to bond and other funds which were "shorted" to pay them. But it was the contention of the bureau that this stigma should be allowed to remain for the time being at least as a lesson to the city council.

The bureau worked successfully for the passage of amendments to the city civil service bill. These amendments, on which the state fire and police associations and the bureau have worked for two years, should vastly improve our municipal service. They forbid any temporary appointments to a city position longer than ninety days without an examination. In the past many so-called temporary appointments have been made without examination and have lasted for years.

The bureau aided in the defeat of a measure which would have repealed the law drafted by the bureau some years ago which permitted an offset in moneys and credits tax on the real estate tax. At the present time in the city of Des Moines enough moneys and credits tax are collected to offset about a mill and a half in real estate taxes.

During the legislative session the bureau issued a number of bulletins analyzing bills dealing with taxes and governmental operations which were sent to local representatives. Partly by means of this information service, a number of measures which would have raised taxes were blocked.

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Ohio Institute.—For some years the institute has worked on plans for a better organization of county welfare activities.

Following a recommendation of the Ohio Government (Sherrill) Survey, Harry D. Silver of the governor's action committee sponsored a series of conferences composed of representatives of numerous statewide organizations. The institute furnished secretarial and drafting services and prepared a bill which embodied, as far as possible, the views of those participating. It provided for the establishment in each county of a welfare department consolidating all county welfare activities and institutions, excepting soldiers' relief and hospitals, under the general jurisdiction of the county commissioners. The bill did not affect cities or townships. Preparations were made for its introduction in the general assembly by the institute and dissemination of information on the bill through an issue of *The Ohio Citizen* and by direct contacts with other state-wide and local groups. Some such measure, we believe, is bound to be enacted sooner or later.

The Ohio law enabling the state to receive federal funds for aid to needy children under the social security act was passed in April 1936, taking the place of the former mothers' pension law. Previously, all funds for mothers' pensions were provided by the counties from local taxation; henceforth counties will furnish approximately one-third of the money, the remainder coming from the state and federal governments. Counties received their first money under the new dispensation in July 1936.

For the administration of this new law and others, a new division of public assistance was set up by executive order in the state department of public welfare. The institute, which had drafted the law, was asked by the division to assist in getting the new program under way. A member of its staff arranged a series of district meetings covering all the counties of Ohio at which the provisions of the new law and the required procedure were fully explained. The institute also helped with the inauguration of records and reports, and the director became a member of the division's permanent advisory committee.

Civil Service.—One of the most fundamental of the recommendations of the Ohio Government Survey was that for reorganizing and strengthening the merit system in the state civil service. No argument is needed to show that the selection, utilization, and retention of competent personnel directly affects the functioning of all departments of public administration. The institute accordingly welcomed the opportunity of coöperating with the Ohio League of Women Voters in supporting such recommendations. A bill was prepared by the institute to reduce exemptions from the merit system in the state and county service. The bill, if enacted, would do away with many loopholes and would establish much greater stability in key positions. An increase in appropriations to the state civil service commission was advocated to enable a more adequate enforcement of the law. Study was also given by the institute to other legislative changes. The institute is assembling material to be utilized when conditions become favorable. Plans are under consideration for bringing about a concerted and aggressive support of the merit system by as many organizations as possible.

County Reorganization.—One of the principal measures on county reorganization prepared by the institute in 1935 was that authorizing various optional plans of county government, any one of which might be adopted in any county by vote of the people. This measure, however, failed to pass at that session. Following a meeting of those previously interested, held late in 1936, a committee of revision and drafting was appointed of which the director was secretary. The bill was partially revised in the hope of overcoming some of the difficulties encountered in the previous session of the legislature, the actual compilation and redrafting being performed by the institute. This undertaking was not completed until February 1937, when the revised bill was again introduced. It is believed that the bill is in some respects a stronger measure than before. No matter what the fate of the bill at the 1937 session, it presents a basic pattern which should be of substantial value whenever action is taken.

Elections.—Some years ago the institute called attention in several reports and bulletins to the high costs of elections in Ohio due largely to political control. Following the November election, the institute coöperated in the preparation of a bill to abolish the present politically dominated county boards of elections, substituting a supervisor of elections selected on a merit basis, and to place subordinate permanent employees in the classified civil service. While not entertaining any high hopes of its immediate enactment, the institute was willing to help make a start in the right direction.

Ohio Council on Public Welfare.—Following recommendations of the Association of Community Chests and Councils, a state council on public welfare was organized to serve as the means for developing state-wide agreement and concerted action in support of a constructive and long-range welfare program. The council is composed of a limited number of representatives, both official and unofficial, from each county and of representatives of state agencies concerned with welfare problems. The council is being built up gradually, as suitable representatives are found. The council requested the institute to act as its secretariat. During the year the council held five meetings and the institute issued several bulletins for the council on the relief situation. A staff member of the institute has devoted a major portion of his time to council activities. Visits have been made to all of the larger communities and many of the smaller ones to secure interest and membership in the council. Speeches have been made before local and state-wide groups on the recommendations of the Sherrill survey, on the county welfare bill, and on the effects of the social security program under Ohio legislation.

The institute issued current bulletins for the council through the legislative session of 1937 on measures under consideration affecting relief, welfare, and social security. If adequately developed, the council will afford a very desirable channel through which the results of the institute's research can be made effective.

Ohio Probation Association.—One of the central factors in a progressive state penal system is the development of an adequate and effective state-wide system of probation and parole, applying to both adults and juveniles. The adult probation law passed in 1925 was prepared by the institute, but comparatively few counties have taken advantage of its permissive provisions. For several years past, the institute has furnished a considerable part of the time of one of its staff to serve as secretary of the Ohio Probation Association. During 1936 efforts of the association were largely responsible for convincing the governor that the bureau of juvenile research should be restored and maintained, though its appropriation was once cut off by governor's veto. Plans were also worked out and submitted to the state administration as to the organization and procedure that should govern the supervision over juveniles paroled from state institutions. This plan is now under consideration by the welfare department.

R. E. Miles, *Director*

OLD-AGE BENEFITS PROGRAM

(Continued from page 356)

workers in them but rather to the difficulty of working out the necessary administrative machinery for keeping account of their wage records. Failure to make provision for these wage earners is, however, a defect and one that may be remedied. Plans are being studied for extending the coverage of the act to a few of these groups, particularly farm labor and domestic service. It is not a simple problem. Although accurate wage records for such workers would be difficult to maintain, advocates of a plan to bring them into the program believe a method can be devised. Probably no one knows how many domestic servants there are or where they are working. The census figures relating to farm labor are also indefinite and, moreover, complicated by the question of the classification that should be given the migratory workers, the sharecropper, and even the tenant farmer. These figures, which were gathered in 1935, show that there were more than 2,865,000 tenant farmers and sharecroppers. The "hired help" on farms in January 1935, as reported by 967,593 farmers, amounted to 1,645,602 persons. It has been estimated that this number is perhaps more than three times as great in those periods when crops are being planted and harvested.

The old-age benefits program is not perfect, but it does represent a long step forward from the old and inadequate system, based upon the conception that relief and assistance to the destitute constitute the only answer to old-age dependency. Its administration is yet in its early stages. Such mistakes as may be made will be corrected. The method of financing the program, although it appears sound to many, is frankly criticized by a few of its friends. That is something that will be ironed out as time passes. The scope of the program is too restricted. It will be broadened. At present it is like an enormous machine only recently set in motion. It is in the shaking-down stage, but the testing has already been sufficient to show its general soundness, and as defects appear they will be corrected.

RECENT BOOKS REVIEWED

EDITED BY ELSIE S. PARKER

Government in Rural America. By Lane W. Lancaster. New York, D. Van Nostrand Company, Inc., 1937. 416 pp. $2.85.

This is distinctly the first book in the field of local government that recognizes the profound changes that are occurring in rural America and examines rural local government in the light of these changes. The approach of a stationary population, the contraction of the agricultural plant and the retirement of submarginal lands, and the fact that the farmers have become a minority group in the body politic all have profound implications for the future of rural local government. Even more significant is the steady transfusion of urban influences. The superficial differences between urban and rural people have within a generation rapidly disappeared and the urbanization of the rural population has, in the opinion of Mr. Lancaster, been accomplished very largely through the influence of the village. The villages of the United States, he says, offer a significant study in democratic government and supply a leaven which cannot fail to affect the character of the political process. Though rural-urban differences are in process of being obliterated, what has taken place as a social development has not been accompanied by corresponding political changes. The chief problems of rural government arise from the lag between the institutions created by the free activity of men in the social and economic spheres and those which depend upon the conscious action of legislators in the political sphere.

Among the problems growing out of this change is "the chaos of areas," the multiplicity of units. Their creation was natural and met a definite need; their perpetuation is unnatural and unnecessary. There is, for instance, not a function now performed by the township which could not be better performed by other units. And in fact it is being slowly starved to death.

In an excellent chapter on the conditions of rural administration, the author explains and illustrates how the quality of administration is conditioned by the desires, opinions, and background of the people concerned. For instance, approved personnel standards in public administration—professional training, security of tenure, and ascending levels of authority—are repugnant to a rural-minded electorate. It thinks of public office as "soft jobs" which should be "passed around." The conditions of life and labor in agricultural communities do not favor the development of specialized skill; "common sense" is a virtue highly prized; expertness, in some dimly felt way, connotes "uppishness" in its possessor.

Attention is properly given to state-local financial relations. The traditional system of taxation and administration in the United States was given its form when our society was overwhelmingly agrarian. It persists in an age when the creative forces in our national life are urban and industrial, but in the end these new forces will find political and administrative forms more consistent with their nature.

In another chapter is an excellent treatment of the problem of crime in rural areas. It is characterized by more or less frequent raids by the city trained professional criminal upon the countryside and by the progressive disintegration of those agencies which have long stood as barriers against forces making for delinquency.

Another field which received scant attention in the older texts on local government but here receives a treatment proportionate to its present major importance is that of relief and public welfare. The entrance of the federal government into this field on a vast scale is certain to bring about significant changes both in administration and in the financial responsibility of the local units of government.

In his final chapter Professor Lancaster outlines a program for the reconstruction of local government. In respect to county consolidation he concludes that "unless some authority exists with power to deal with the local government problem of the whole state, piecemeal consolidation would probably do more harm than good." Likewise, inter-county coöperation and city-county coöperation offer some advantages and promise some economies, but the multiplication of *ad hoc* districts only further complicates the administrative map. Again he questions the gains to be made through internal reorganization, such as centralized responsibility under a manager. Real progress, he concludes, can be made only through a more satisfactory distribution of functions between the two levels of government.

The author shows familiarity not only with the literature in the field of county and township government, of which there is now quite a considerable array, but with the best current thought in the fields of rural sociology, land utilization, and the rural field generally. He also displays an understanding of the *mores* of country and village people. With this background he has been able to give us an interpretation as well as description of government in rural America which is at once useful, interesting, and timely.

Paul W. Wager

University of North Carolina

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A History of American Political Thought from the Civil War to the World War. By Edward R. Lewis. New York, Macmillan Company, 1937. 361 pp. $5.00.

The first section of this book, which is not unlike a treatise on constitutional law, begins with the period immediately following the Civil War when the thirteenth, fourteenth, and fifteenth amendments to the constitution were the leading political questions of the day. These three amendments gave freedom to the Negroes and contemplated racial equality in suffrage and civil rights.

Mr. Lewis shows how the racial equality of the post-war period has today developed into a feeling that racial separation is essential and that the early drive to enforce the voting right of the Negro has largely disappeared.

The much debated due-process clause of the fourteenth amendment at the time the amendment was adopted "applied only to procedure," according to Mr. Lewis, and was not a restraint on the legislature. What the legislature enacted was the law of the land. It was not foreseen that this clause would be used to cover individual and corporation rights, the power of the state to regulate utilities, taxation, and the exercise of the police power of the states.

Mr. Lewis believes that the Supreme Court becomes a legislative body when it holds federal laws unconstitutional on the ground that police power has been exceeded by a statute. He concludes, however, that "most of us, after all, would prefer to see the power of the courts, both state and federal, remain as it is, believing that it is a wholesome restraint on vicious legislation." The debate over Theodore Roosevelt's proposal for the recall of judicial decisions is presented vividly.

In the second portion of the book there is a complete survey of the political, economic, and social issues agitating the country during the period from 1865 to 1917, except those issues relating to the Monroe Doctrine and imperialism. An outline is given of the Granger movement as well as the greenback and free silver movements. *Progress and Poverty* in which Henry George presented his social theories is discussed at length.

The programs of Bryan, Theodore Roosevelt, and Wilson are covered, along with the entire progressive movement. Mr. Lewis relates that William Allen White believed the difference between the philosophies of Roosevelt and Wilson was the difference between tweedle-dum and tweedle-dee. Both were aimed at retaining the private individualism of the country as opposed to socialism.

An appraisal of action in the fields of the direct primary, initiative, referendum, and recall and woman's suffrage is made, each a contribution to the history of the progressive movement. Mr. Lewis refutes the idea that national prohibition was "put across" against the will of the people.

The author frequently adds his own comments and opinions to those of the scores of leaders whose thoughts, recorded in this volume, have most powerfully influenced in this country the trend of political action.

George Metcalf

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Report of Investigation and Analysis of the Public Utilities Commission of Ohio. By Howell Wright for the Ohio Government Survey. Cleveland, 1936. 56 pp. mimeo. (Apply to Mr. Wright, 440 Leader Building, Cleveland.)

This comprehensive survey of the Ohio Public Utilities Commission, including its historical background, an appraisal of work accomplished, and recommendations as to improvements that should be effected, was prepared by Mr. Howell Wright, public utilities director of Cleveland under the city manager regime of William R. Hopkins.

The Public Utilities Commission of Ohio differs essentially from other state commissions in its jurisdiction over gas and electric utilities. Under their home rule charters Ohio cities are empowered to fix gas and electric rates by ordinance. Such rates, however, are subject to appeal to the state commission which then has the responsibility of fixing reasonable rates. Mr. Wright has found the work of the commission unsatisfactory from the public standpoint, his criticisms including inadequate personnel, low salaries, political appointments, and poor organization. Furthermore, he shows that the commission has become primarily a quasi-judicial body rather than one of fact-finding and administration to carry out positively the responsibility of fixing reasonable rates.

Mr. Wright recommends that the commission be made an administrative body in law and in practice, that membership be made a profession and not a political job, that terms of office be extended at least to eight years, that adequate salaries be paid, and that sufficient and competent personnel be provided to make the valuations and other studies necessary for proper and prompt rate determination. The commission should be required to discard as far as practicable ordinary legal procedure in rate hearings; it should arrive at tentative values and other rate factors through informal methods, should submit the provisional findings to all interested parties, and should undertake formal rate cases only upon protests filed by the parties. Mr. Wright calls for comprehensive revision of the law to make regulation effective and is opposed to piece-meal modification.

While his criticisms are valid and his proposals point in the right direction, the author fails to meet the vital defect of Ohio regulation which is the difficulty of repeated valuations. The commission would still have the legal duty to fix the "fair value" of the properties used in public service whenever it undertakes an adjustment of rates. Companies could still demand revaluations with each important change in rates and raise all the conflicts of interest normally encountered in rate cases.

While Mr. Wright may be pointing toward a fixed rate base, he does not recommend its establishment and so would leave the principal cause of controversy. So long as the commission is without positive and definite administrative measurements, the effectiveness of regulation in day-by-day administration cannot be greatly improved. Unless Mr. Wright goes the full length of establishing fixed rate bases which can be regularly administered through accounting and engineering procedure, he leaves regulation unwieldy and unsatisfactory from the public standpoint. This applies to Ohio and to all regulatory systems.

John Bauer, *Director*
American Public Utilities Bureau

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Report to Mayor F. H. LaGuardia on the Work of the Department of Purchase, City of New York, for the Year 1936. By Russell Forbes, Commissioner of Purchase. New York, Department of Purchase, 1937. 112 pp.

The annual report of the department of purchase in New York City, submitted to Mayor LaGuardia on June 13th, indicates substantial advances in efficiency and in the saving of money for the city. The department is headed by Commissioner Russell Forbes, former secretary of the National Municipal League and a national authority on central purchasing.

Out of $24,500,000 of supplies, materials, and equipment purchased in 1936, about $5,000,000 worth was on open-market purchases, representing a reduction as compared with contract purchasing. Progress was also made in the elimination of small orders in favor of bulk purchases. The number of departmental storehouses was reduced and their inventory was cut. Much more material was salvaged, sales of scrap, surplus, and obsolete materials amounting to $284,000 as against $26,000 in 1933. A concentrated study of the department and its relations to other agencies was made with the purpose and result of effecting improvements.

H. M. O.

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The Municipal Charter Problem in Florida. By American Municipal Association. Chicago, Public Administration Service, 1937. vi+21 pp. Fifty cents.

Prepared for the Florida Joint Legislative Committee and the Florida League of Municipalities. (See page 363 of this REVIEW, "Florida Considers Home Rule Amendment.")

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Chain Store Taxes. By Mabel L. Walker. New York, Tax Policy League, 1937. 30 pp. mimeo. Fifty cents.

Miss Walker presents here a timely analysis of chain store taxes which, since the recent U. S. Supreme Court decision on the Louisiana law, have been much in the public eye. The pamphlet contains numerous maps and tables, together with an up-to-date summary of existing legislation.

*

Social Characteristics of Cities. A Basis for New Interpretations of the Role of the City in American Life. By William F. Ogburn. Chicago, International City Managers' Association, 1937. iv+70 pp. $1.00.

The chapters presented in this publication appeared during 1936 and early 1937 as a series of articles in *Public Management*, official journal of the International City Managers' Association.

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Bus Franchises. Franchise Taxes, Fees, and Licenses Levied by Municipalities Upon Privately-Operated Bus Companies. By American Municipal Association (Bulletin No. 1). Chicago, 1937. 8 pp. mimeo. Twenty-five cents. (Apply to Association.)

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EDITORIALS

(Continued from page 336)

cities in the world have long voted under P. R. would of itself prove the ridiculousness of the claim. Are they more intelligent in Dublin, Cork, Winnipeg, Toledo, or Cincinnati than we in New York City?

Let us look at it in another way. First, from the point of view of the voter: the only change in his operation at the polls is that instead of marking a cross he marks the ballot with figures —1, 2, 3, etc.—in the order of his choice. It certainly does not require a high degree of literacy or intelligence to decide which of the candidates you like best, which you like second best, and so on. That is all the voter has to do.

The next step is to count the ballots. It is agreed that counting proportional representation ballots involves more routine than ordinary ballots require. But it must be remembered that the counting is not done by the illiterate or the ignoramus but by a corps of experts in election administration. And for that matter, even one expert would be enough because it does not require a high order of intelligence to sort ballots —there simply must be someone around who knows the rules laid down by law governing the sorting process.

Of course, it may be regarded as encouraging that opponents of proportional representation in New York City have been so driven to their corner as to take refuge in criticisms which are untenable. There seems little doubt that the most interesting test of proportional representation that has yet been made in America will come next November when it is used as the means of selecting the members of New York's new city council.

NATIONAL MUNICIPAL REVIEW

AUGUST ⁜ 1937

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National Municipal League

THE LEAGUE'S BUSINESS

With the League Members.—*Leonard D. White,* after three years in Washington as United States civil service commissioner, has resigned to return to his post as professor of public administration at the University of Chicago.

The following members of the league appear among the prominent New York citizens recently appointed by Governor Herbert H. Lehman to serve as an unofficial advisory committee on the drafting of a new state constitution: *Charles Evans Hughes, Jr.,* son of Chief Justice Hughes and president of the New York County Lawyers Association; *Frank C. Moore,* secretary of the New York Association of Towns and a member of the New York State Commission for the Revision of the Tax Laws; and *George H. Hallett, Jr.,* associate secretary of the League and secretary of the New York Citizens Union.

Samuel S. Fels, honorary vice-president of the league, and State Senator *Dr. George Woodward,* for many years a member of the league, are members of the Philadelphia Charter Commission recently appointed by Governor Earle and the Pennsylvania legislature.

Dr. Harold W. Dodds, president of the league and of Princeton University, was recently created a Commander of the Order of King Leopold by Dr. Paul van Zeeland, Prime Minister of Belgium. At the same time—the 1937 commencement of Princeton University—Dr. Dodds conferred the degree of Doctor of Laws upon Dr. van Zeeland.

Charles P. Taft, member of the league's council and chairman of its committee on model state personnel law, was named by Miss Frances Perkins, secretary of labor, as chairman of the federal mediation board to conciliate the steel strike.

* * *

Dr. Clyde L. King Dies.—We are extremely sorry to learn of the death on June 17th of Dr. Clyde Lyndon King, a prominent member of the National Municipal League. Dr. King was professor of political science at the University of Pennsylvania for the past seventeen years. He also held numerous governmental appointments, including the chairmanship of the tri-state milk commission appointed by the governors of Pennsylvania, Maryland, and Delaware; milk price arbitrator for Pennsylvania; secretary of the commonwealth and secretary for revenue under Governor Gifford Pinchot of Pennsylvania; and chairman of the Pennsylvania Unemployment Committee. He was the author of numerous books and magazine articles and was a member of the American Economic Association, American Academy of Political and Social Science, the Political Science Association, and other similar organizations.

* * *

The League's Annual Meeting.— Please keep in mind the league's forty-third annual conference on government. The place is Rochester, New York; the time November 18th to 20th. A splendid local committee, whose members are listed below, will sponsor the meetings:

Chairman, Marion B. Folsom, treasurer of the Eastman Kodak Company and president of the Rochester Chamber of Commerce; *Vice-Chairman,* Harold W. Sanford, editor, *Democrat and Chronicle; Secretary,* W. Earl Weller, director of the Bureau of Municipal Research; Isaac Adler, former vice-mayor; City Comptroller Paul B. Aex; Harold Akerley; Mr. and Mrs. Wesley M. Angle; City Manager Harold W. Baker; Raymond N. Ball, vice-president, University of Rochester; Rev. Albert W. Beaven, president, Divinity School; Rabbi Philip Bernstein; Judge George H. Bodine, former head, Crime Prevention Committee; J. Franklin Bonner, county planning director; Charles W. Booth, president, Council of Civic Clubs; John P. Boylan, president, Rochester Telephone Corporation; Herbert W. Bramley, former president, Chamber of Commerce; Thomas E. Broderick, Republican county chairman; Carey Brown; Chancellor James Burgan; George H. Clune, chairman, City Citizens Committee on Tax Delinquency; Sam Cooper, chairman, board of supervisors; John Curtin, chairman, special committee on tax delinquency; Donald Dailey, Democratic leader; George Dietrich; M. Herbert Eisenhart; Mark Ellingson, president, Mechanics Institute; Albert W. Fell, business manager, *Democrat and Chronicle;* Bishop David Lincoln Ferris; Bernard Finucane, Democratic leader; B. Forman; Louis S. Foulkes, former councilman; Tom Foulkes, civic leader.

Frank E. Gannett, president, Gannett Company; James E. Gleason; Miss Eleanor Good, president, Chamber Women's Organization; William H. Gorsline; Alonzo G. Grace, University of Rochester; Carl Hallauer, civic leader; Edward Harris; Vicar-General Rt. Rev. William H. Hart, acting head of Catholic Diocese; Sol Heumann, head, Community Chest; Jeremiah G. Hickey; Clarence E. Higgins, former comptroller; Arthur H. Ingle, Chamber of Commerce Civic Improvement Committee; Meyer Jacobstein, former congressman; Byron A. Johnson, president, City Club; Mrs. Leonard Jones, chairman, League of Women Voters; Miss Alice King, president, Business and Professional Women's Club; Oscar Kuolt, director, Council of Social Agencies; Clement G. Lanni, publisher, *La Stampa Unita*; Frank W. Lovejoy, president, Eastman Kodak Company; Arthur Lowenthal, civic leader.

Gilbert J. C. McCurdy; James D. McGill, president, Board of Education; A. S. Mertz, president, Convention and Publicity Bureau; Edward G. Miner, secretary, University of Rochester; Frank Moffett; John S. Murray; Miss Dora Neun, international president, Zonta Clubs; George

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Editorial
Comment
✣
August, 1937

NATIONAL
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On the Education of Councilmen

The success of the city manager plan rests perhaps more upon the relations between the council and the city manager than upon any single element unless it be the manager himself. Increasing irritation in these relations in a number of cities gives cause for serious consideration.

The problem arises in this way: All too often an aroused public opinion in a community will change the form of government to the city manager plan and elect well meaning citizens to the council who have little conception of the manager plan or how it should operate. Elected to public office for the first time, they take their responsibilities so seriously that they are apt to forget, if they ever knew, that the responsibility of a member of the legislative body under the manager form is legislative, not executive, and that the manager plan will succeed only if they concentrate their attention and thinking upon policy forming and *supervision* of execution—not execution itself.

It is possible that students of the subject have paid too little attention to the problem of the city manager in this situation. He is but one individual in surroundings not always completely harmonious bringing to bear the light of his special knowledge on the problems of the municipal administration. He is hired by the council. A veteran diplomat might well balk at an attempt by the city manager to tell the councilmen—his bosses—where their powers ended and his began. Yet there has been in some manager cities too much meddling in administration by members of the council and too much "passing the buck" to the manager on important decisions.

Perhaps we need a "committee on the education of councilmen"—it would be a first rate piece of adult education redounding immediately to the benefit of the community!

Who Is Behind It?

The type of sponsorship behind the city manager plan or any other movement for improvement in government frequently can make or break the idea. This has happened so often that individuals or groups interested in such movements must be on guard not only against enemies without but also those possibly well-intentioned ones within.

In one great city today we find the disquieting situation of two powerful, high-minded newspapers opposing the city manager plan. Apparently their opposition is based solely on the fact that they don't like the politician who is attempting to assume leadership of the movement and they distrust his motives. The newspapers are so intent on preventing a personal victory by this man that they overlook the large group of nonpartisan, unselfish citizens who also favor the plan.

In another city the existing manager government is threatened by the growing suspicion that those who originally led the successful fight in its behalf are now playing politics just as selfishly as did the so-called "old crowd."

The time has not yet come when personalities are unimportant. The man who marks the ballot is still more inclined to vote for a personality than a principle. It has been proved over and over again that the city manager form of government has been most successful when the demand for reform comes from a large body of unselfish civic-minded citizens, usually under the leadership of a number of organizations not normally concerned with politics.

So it behooves those who are interested in definite accomplishment rather than simply stirring up a fuss to plan wisely, examine the motives of those who climb the bandwagon, and keep in mind where the trumps are as they play their cards.

Brains by Geography!

A READER has questioned our recent expression of scorn at the Lyons residence law, whereby appointments of city employees can be made only from among resident New Yorkers. He asked if any other city than New York would countenance officials from other cities.

One answer is that perhaps the best-governed city in the United States, Cincinnati, has had two exceptional non-resident experts for the all-important job of city manager—C. A. Dykstra and Colonel C. O. Sherrill—with results satisfactory to all except spoils politicians.

The large corporations and banks of New York, the universities and hospitals, needing expert services, pay no attention whatever to residence in going after their officials. The city itself, we believe, is entitled to as good service as any other corporation. To refuse to employ a superior person because he doesn't live here is rather like refusing to buy a better fire engine because it was not manufactured here.

Editorial, *New York World Telegram*,
July 26, 1937

THE LEAGUE'S BUSINESS

(Continued from Page 382)

H. Nier, president, Bar Association; T. Carl Nixon; Henry O'Connell, president, Central Trades and Labor Council; Ernest A. Paviour, civic leader; Miss Ida Randle, president, Rochester Zonta Club; Bishop Bartel H. Reinheimer; W. H. Roberts, president, Engineering Society; Mrs. Robert Rowe, Rochester Branch American Association of University Women; Herman Russel.

Harold W. Sanford, editor, *Democrat and Chronicle;* Harper Sibley, former president, United States Chamber of Commerce; Mrs. Harper Sibley, civic leader; Vice-Mayor Joseph Silverstein; Alexander T. Simpson, president, Rochester Clearing House; James Slocum; County Manager Clarence Smith; Frank J. Smith, civic leader; Leroy E. Snyder, *Democrat and Chronicle*; James M. Spinning, superintendent of schools; William H. Stackel; Mayor Charles Stanton; Edwin Allen Stebbins; Henry H. Stebbins, chairman, board of directors, Tax League; Simon Stein; Kenneth Stewart, young men's council, Chamber of Commerce; Judge Arthur E. Sutherland, chairman, County Charter Commission; Vilas M. Swan, head, Social Agencies; Mrs. Harriet C. Thompson, vice-chairman, Democratic County Committee; John D. Tighe, president, Real Estate Board; Walter Todd; Douglas Townson; Alan Valentine, president, University of Rochester.

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HOWARD P. JONES, *Secretary*

Whither Adult Political Education?

Educating the people to a critical understanding of political issues is the great need of the time—a problem for which we must find a solution

THOMAS H. REED *Director, Consultant Service, National Municipal League*

"DEMOCRACY is at the crossroads." At least that's what the red-faced man with the thick neck said. It was in the smoking room of a pullman, vacation bound in midsummer. He didn't exactly say it either. He bellowed it with the evident intention of making it the beginning of some hot campaign propaganda most unsuitable to the occasion. So I foiled him.

"You're wrong," I said. "It's worse than that. What's a crossroads but a place where two smooth ribbons of concrete meet and where either road is a good road? Democracy, really, is on a spot—a quivering island scarcely above the level of a surrounding swamp, and sinking fast. It is so shrouded in fog that the most keen-sighted can't see six inches in front of his nose. The only way out is to build a causeway out of mud, in the dark, to the firm ground which may exist but nobody has yet seen except in dreams."

The red-faced man looked round for help and seeing none swallowed twice and changed the subject to the relative pitching prowess of Carl Hubbell and Christy Mathewson.

But the trip was spoiled, after all, because I got to thinking. For I am a profoundly convinced believer in democracy and hate the idea of dictatorship. Yet, allowing for some pardonable hyperbole, it seemed to me that my description of its present predicament had not been far from accurate. Hence I fell into a mood of gloom and perplexity from which only hard work or strenuous recreation have since been able to rescue me. There is enough in the existing situation to cause all sincere friends of democracy to take to drink, unless they can think of something to do about it.

The most frequent suggestion is to try education. That democracy requires trained and qualified leadership is a truism. My red-faced friend could get that far. It needs, however, trained followership just as badly. A dictatorship requires of its subjects only strict obedience. A successful democracy requires a combination of obedience with a critical faculty capable of telling good leadership from bad. It is hard to get. It is almost infinitely difficult to make a people at once obedient and critical. It calls for the highest degree of moral and intellectual discipline—just that balance which education is supposed to bring to pass, and admittedly in some individuals does.

Unfortunately, judged by its results in the production of trained followership, formal education has fallen far short of success. We do submit pretty gracefully to the verdict of the polls—perhaps in part because the issues of our ordinary party struggles do not cut very deep—but as for discriminating between false and true leadership, we may be sometimes lucky, but we are all too often the dupes of our own indifference or the arts of the "practised hustings liar." The defects in what our educators call "civics" training as offered by our public school system have been too frequently exposed to call for painful repetition here. The flocks of text books, syllabi, and the like have been numerous enough to darken the intellectual horizon. But the fact remains that there are few good civics courses even on paper, and even fewer good civics teachers. For one school that so much as goes through the motions of adequate civics training, there are ten that teach civics perfunctorily, utilizing the part-time services of teachers primarily trained to teach any other subject from algebra to zoology.

UNIVERSITY INSTRUCTION

Nor has the situation been remedied by the rapidly increasing volume and quality of political science instruction in our colleges and universities. I would be the last to belittle the advance which has been made in this direction in the last generation. One only has to open the catalogues of our leading universities to realize that everything teachable—and some that is not—about the science of government is offered to their students. But university instruction does not penetrate to the masses. At its perfect best it can only train a few leaders, and how imperfectly it has done that is a cause of lamentation to Dean Gauss and others. We know today much more about the processes and methods of government than our fathers did, and we have developed a vast apparatus for manufacturing more knowledge through research. But its application to the actual business of government is still occasional.

The most hopeful aspect of education in relation to government in recent years is the rapid development of courses in the various branches of public administration and in the training of men and women for posts in the administrative service of government on the local, state, and national levels. Trained public servants mean better government service, and it is by the quality of its service that government is ultimately to be judged. The increasing activities of government—based as it is on popular demand for them—constantly increase the importance of the administrative as contrasted with the legislative side of government. Indeed, "the government" in relation to the lives of most of us most of the time is not the president and congress or the mayor and council, but some bureau chief or sub-bureau chief, director or commissioner who passes on our complaints or issues us our orders, but who otherwise remains an obscure figure unknown to the front pages of the daily papers. Since we needs must have a bureaucracy, the quality of our bureaucrats is a matter of great importance.

The fact remains, however, that we can train administrators until the cows come home without in the least affecting the basic problem of the democratic control of government. Glitteringly successful bureaucracies can exist under any form of government. They certainly are more common under autocratic or oligarchic institutions than in democracies. They flourish even better under Hitler and Mussolini than in the supposedly free air of America. The career men are necessary but they cannot do much to tip the scale against dictatorship. That is because the very business of being a career man involves indifference to the issues of politics. If a member of the professional administrative staff takes sides with one group of his potential superiors as against another, he soon learns that those who "live by the sword perish by the sword."

His permanent influence depends upon his impartiality, his readiness to serve Demos or Caesar with equal zeal.

THE EXPERT AND POWER

We have had some recent examples of this truth among our so-called "brain-trusters" who have failed to observe President Harold Dodd's principle that the expert should be "on tap and not on top." One cannot outshadow one's political superiors in the news and hope to retain one's lofty role as an expert. In fact, unless this itch for publicity and the urge for power are restrained, the expert soon has no role at all. It would be easy, were it not cruel, to list the names of many sound scholars well qualified to pluck a prophet's robe and whisper wisdom in his ear who are without power or influence today because they insisted on shouting major prophecies on their own hooks. And incidentally it must be said that their lack of "passion for anonymity" has done an injury to the proper influence of academic men in government which only time and discretion can repair.

At any rate, the permanent official, no matter what his merits, cannot be a leader of public opinion and retain his permanency—and generally speaking our best college-trained civil servants prefer a regular salary at a steady job to precarious eminence in politics. We are as far away as we were before we began our academic tub-thumping for public administration from the solution of the problem of the democratic control of the modern state. Our system of formal education has failed to train either leaders or followers in sufficient numbers or quality to make democracy function properly.

Formal education having failed, how about adult education? The adult education family is a large one. Miss Musical Education and her twin, Miss Literary Education, are among the most popular of the young fry with philanthropists and foundations as well as with the amateurs of the cult. Even Mr. Scientific Education has his devoted foster-parents. But that unhappy hermaphrodite Political Education is a stepchild whom nobody wants to have found on his doorstep. There is contamination in his very presence. Could it be reduced to education in the mere formal facts about our governmental system, the child, anemic though he might be, could be acknowledged in good society. But that is impossible. Adult political education must deal with the policies as well as the framework of government or there will be nobody to listen to its teachings. It is much less important for the citizen to know how a congressman is elected than what he ought to vote for when elected. Indeed, such formal facts as the number of representatives and senators, whether the state comptroller is elected or appointed, and whether or not the mayor has a veto power are the sort of things which our system of formal education is relatively less unsuccessful in conveying to its—let us not say victims—subjects. The adult public refuses, however, to be greatly interested in the structure of government, and adult education in all its branches depends for its vitality on public interest. One only has to consider the violent but futile efforts of those earnest gentlemen who in the last presidential campaign tried to interest the American people in the effect of the New Deal on the constitution of the United States, to realize how difficult it is to arouse interest in questions of the form of government, no matter how fundamental. Only the intelligentsia are much moved by questions so abstract as whether the president is getting too much power or not. What the public wants to know is whether he is using the power he has in the way they want him to.

A DELICATE SUBJECT

The result is that any vital program of adult political education is redolent of controversy. The president of a state university, or of a private one if any large part of its income is at the mercy of living donors, can smell it coming clear through the big oak door of his office. If he does not order it taken outside and buried at once, he has it fumigated until no one can recognize the result as either politics or education. This is only the application of the law of self-preservation and, since it could hardly be otherwise, should not lead us to hate college presidents. But it must be recognized.

There is another difficulty in the way of universities taking much part in adult political education—the prejudice of the more conservative academicians against courses for adults outside the regular curriculum. This is based on the fact that a university extension course for adults—even for college graduates—usually achieves a standard of scholarship on which regular freshmen would be flunked out of college. Gray-bearded heads of departments are loath to see their young instructors corrupted by association with such standards. For the older men who do much extension lecturing the gray-beards have a derogatory word, "popularizers," and one might as well be a cad or a blackguard as that. In other words, "extension" as a term applied to all extra or intramural instruction, personal or by correspondence, not part of the formal provision made for regular students, is a misfit in the average university, at least in the opinion of those who control promotions.

That's not saying they are right—at least altogether. More than thirty-five years ago now, a young assistant professor at the University of California made twelve trips to the old mining town of Sonora far up in the foothills of the Sierras to deliver a course of lectures on it matters not what. It was a long journey with two changes of cars and more than a little heat and alkali dust. On the platform at Sonora he was always greeted by the portly superior judge who was chairman of the local lecture committee. "Professor," he would say, "You have had a long hard trip and you must be thirsty," and in some old bar thick with the ghosts of the gold miners of forty-nine and with the occasional actual presence of some picturesque relics of those aureous days, that thirst was quenched. Then, bathed and brushed, the professor was the judge's guest at dinner, sometimes in his home above the town but more often in the back room of a saloon whose unpainted walls belied the treasures of food and drink it offered. And after an interlude for the lecture, the least part of the business, long hours of talk. And how the judge could talk of the mining country and its history, of famous cases in which millions were involved, of strange characters who followed the gold rush, of education, philosophy, politics, art, religion, books. He probably promoted those lectures so as to get someone to talk to. His judicial business did not occupy more than a few days a month, and he used the time to read—everything. He was particularly fond of Macaulay and Gibbon and could recite from memory page after page of the *History of England* and the *Decline and Fall of the Roman Empire.* Even if the attendants at the lecture learned nothing, and that is more than likely, the young professor learned a lot about some things which he could never have found in the college library.

Be that as it may, the universities will probably never do much more than wave a hand at adult political education. They may talk a lot about the alumni university, which means lecturing to the old grads at commencement time. But though the professor of Assyriology may bear down on the pros and cons of the authenticity of the latest discovered inscriptions, the professor of government is going to have to soft pedal his criticism of the state administration. Who after all are so sensitive as alumni?

SUMMER INSTITUTES

There is only one method of adult political education which our universities seem to use freely and successfully, and that is the summer institute. Beginning with the Institute of Politics which drew to Williamstown for several years a brilliant group of people interested in international affairs, they have spread through the nation so that scores of rostra resound, simultaneously or almost so, with the shouts of the champions of this and that in the field of politics. At the University of Virginia, for example, there gather each year invited and uninvited illuminati to the number of several score who run round tables and address meetings at which the bulk of the listening is done by a very miscellaneous assortment of people, mostly from Virginia, but always some from the far corners, brought there by the combined attractions of Jefferson's classic colonnades, the renown of Albemarle County hospitality, and the desire to assist, in slightly more than the French sense, at discussions between famous men and women. It is effective adult education, and it is possible for a university because opportunity can be given for the expression of many points of view. It is a sort of intellectual free-for-all and may the best man win. It is useless for propaganda because any propaganda is answered on the spot. For example, the Liberty League put on at the University of Virginia, at its own expense, a round table on "The Constitution and the New Deal" in the summer of 1935. Administration supporters were at a minimum in the printed announcement of the round table, but sufficiently adequate ones just turned up by chance in the audience, so that both Liberty Leaguers and New Dealers went home thinking they'd won the battle and very well satisfied with the university.

Summer institutes, however, in the aggregate only reach a few thousand people. The press and the radio are the only mediums which reach the people en masse. The press it must be admitted has been our chief means of adult political education. Quantitatively there is no fault to be found with the material for adult political education provided by the daily news. Nor can anyone cavil at the inclusiveness of the audience our newspapers command. But the manner and circumstances of its presentation destroy in large measure the educational value of our news and editorial columns. The news is so often colored, editorial comment is so often inspired by ulterior motives or by sheer whim, that except on the assumption of an educated citizenry trained to glean the truth from the vast and motley volume of wordage poured forth on it, the press is probably a menace to democracy. The very quantity of the news offered for our daily diet is conducive to intellectual indigestion. The richness of the table tempts to indiscriminate indulgence and ends in confusing instead of enlightening all but the clearest minds. It is possible to imagine a press which would perform admirably the function of moulding public opinion—some notable examples of able, independent, and honest newspapers indicate how admirably. But as things stand today the press is a problem, not the solution of one.

POLITICS AND THE RADIO

Almost the same judgment must be passed on the radio as at present conducted. If anyone could have had the endurance to listen attentively to all the political oratory poured into the ether in the recent presidential campaign, he would scarcely have been helped to a decision on the merits of the contest. The politicians did their best to talk us deaf, dumb, and blind. The only escape was a sense of what not to listen to. By far the greater part of the time devoted to civic problems by the radio is employed in giving voice to the pronouncements of the politicians. This applies not only to campaign time but in a slightly less degree to the intervals between campaigns as well. The radio chains will not, it is true, sell time for political discussion except during the presidential campaign, and local stations usually follow the same practice with regard to local issues. But the chains and individual stations give time very freely to any of the politically great who wish to talk at any time. It is, of course, a measure of self-protection. In those who might have the power and opportunity to impose limitations on the use of the air is produced a feeling that the air, since it is open to them, is very well employed. It is done without much sacrifice because the politicians wish to make occasional addresses which can be fitted in at odd spots without deranging the time sold to advertisers.

Listening, however, to the conflicting views of politicians, while it may have some slight incidental educational effect, is really advancing us no further toward the solution of the problem of developing the critical faculty of the Demos so that it may tell good leadership from bad. Without adequate means of telling who is lying and how much, the facility which the radio offers of hearing all the politicians has made our last state perhaps worse than our first.

As for adult political education in the real sense of the word, the radio does little and promises to do less. The air is to a certain extent open to responsible individuals and groups for short series and spot talks, but a large part of the available evening time—the only time worthwhile—is occupied by Senator Blank or Governor Asterisk, and another considerable portion is taken up by pressure groups for their own particular promotions. For systematic adult political education, pure and simple, untainted with propaganda, there is mighty little room. With the increasing demand for time by commercial advertisers, the broadcasting companies have grown steadily more reluctant to commit themselves to any long-time promises for education. And assurance of being on the air for a considerable period is necessary for the planning and execution of any systematic attempt at adult political education. Even when the great national networks assign time to an educational program, there is no real assurance that the individual stations will not find it convenient to supplant it with a local commercial one. Four years of experience in the production of the "You and Your Government" series has led the Committee on Civic Education by Radio in a report on *Four Years of Network Broadcasting,* recently published by the University of Chicago Press, to conclude that it is impracticable at present to attempt systematic civic education over the national chains. Even the splendid gesture made by the National Broadcasting Company in its "Town Hall of the Air" program cannot refute this conclusion. The very nature of the Town Hall program, depending as it does on famous speakers and topics of current interest to get and hold the attention of a nation-wide audience, puts it wholly out of the field of systematic civic training.

COMMERCIALISM VS EDUCATION

It is a regrettable but not surprising fact that the great chains and individual stations are dominated by a commercial spirit. Their managers are possessed by the laudable desire to make money for their stockholders. In consequence they are so organized as to do for education only as much as they cannot avoid doing without provoking the condemnation of public opinion and the possible action of the Federal Communications Commission. They have "educational departments," it is true, but their duty seems to be to see not how much but how little time can be devoted to education. Just as a harried mother stuffs a pacifier into a baby's mouth, so a certain number of educational programs are offered us. If we chew hard enough on them, so the broadcasters reason, we may never realize what suckers we really are. And of all aspects of education, political education is that of which broadcasters are most wary.

Nowhere is the orphaned state of adult political education more apparent than in the offices of the foundations—miraculous manifestations of the "dead hand," treasure chests devoted to philanthropy. They all have a formula for the applicant for funds for political education: "We are deeply sympathetic with the great work you are doing, but we cannot give any money for an activity which has anything to do with the issues of current politics." It's not to be wondered at nor altogether to be deplored. Political education carried on with money derived from J. P. Morgan or John D. Rockefeller might not only embarrass the donor, but it might very seriously prejudice the work. It would at once be open to the charge, however unjust, that it was an attempt to fasten on the country the ideas of the financial tycoon whose money was being spent. It is not surprising that these foundations prefer to spend their money in research, especially research in scientific fields. The nearest approach they make to political education as such is to support training for the public service. They can give money for the college training of future administrators and for the in-service training of men already in government employ. A whole galaxy of very useful organizations of public officials, well supported by foundation money, revolves around the Public Administration Clearing House in Chicago. We have already seen, however, that mere perfection of administrative technique will not enable us to operate popular government. The preservation of democracy calls for a trained political leadership which cannot be found in the permanent civil service, and for trained followership on the part of many millions whose chief preoccupation is earning a living somewhere else than on a government payroll.

All this is a dark picture. The stepchild, adult political education, has no place to lay his head. Universities and foundations are afraid of him. The press and the radio don't know him. But that does not mean that the case is hopeless. There are precedents, and good ones, for the triumph of causes rejected by wealth and power. Political education must become the creed of the masses. There are enlightened men and women who know they need it and who hate dictators; there are enough of them to save democracy. An impressive job of adult political education today is being done by the League of Women Voters—groups of women, humble women for the most part, in hundreds of communities throughout the country bound together in state and national organizations and actually educating themselves. Another fine bit of work is being done by the National Municipal League which since 1894 has been bearing down on the principles of good local government. Then there is the Civil Service Reform League and a host of other organizations local and national which keep the lamp of adult political education alight. They get good-sized checks from sympathetic individuals occasionally—some of them have their unobtrusive "angels"—but on the whole they are built on a broad foundation of the interest of individuals who expect to fry no fish through connection with them. May their tribe increase!

EXPERIMENT IN FORUMS

"Valiant," too, is the word for our United States Commissioner of Education, John W. Studebaker, whose experimental "fora" are stressing adult political education under the joint auspices of federal and local government. Forum leaders are fearlessly promoting the discussion of political problems. Theirs is a ticklish task—to bring to pass debate which will produce light as well as heat and show no bias. They must be diplomats of the platform with the combined qualifications of an ambassador and a prize-fight referee. Our prayers are with them.

But when democracy has been safely got to dry land and the crowns are distributed among those who are responsible, there will be special ones for the good teachers. Just because a university is timid and time-serving, it does not follow that a sincere and honest professor cannot leave an indelible impression on hundreds or thousands of young people. He can make them devoted as he is to straight thinking. He does not need to wear a chip on his shoulder and seek martyrdom by the violence of his denunciations. He need not be a Savonarola. All he needs to be is a true scholar and a lover of his kind. There are some such in the colleges and universities of our land and they reproduce themselves mightily. There is room for many more. The supply of crowns won't give out. Just because a city school system must be kept out of politics is no reason why a conscientious, clear-headed teacher of civics cannot arouse her classes to real enthusiasm for the study of their government and its problems. She does not need to refuse to take the teachers' oath, bad as is the taste which requires it, nor court dismissal by insulting the mayor or the president of the school board. With never a lapse from the impartiality which is the inevitable consequence of her intellectual honesty, she can make her pupils realize the utter reality of the problem of government. There are teachers like that. There would be more if there were more college teachers of like kidney.

There can be no doubt of the need of political education in school and out. There can be no doubt of present failure. Schools, colleges, foundations, press, radio have not met the challenge. The job of educating the people to a critical understanding of political issues and to an appreciation of the virtues and vices of their would-be leaders is left to a few impecunious enthusiasts ineffectively organized. Yet, if the job is not done, a heavy price will be paid by all of us. The problem of political education is a problem for every individual. Somehow or other we must find a solution.

Personnel Progress in the Deep South

Jefferson County and the cities of Birmingham and Bessemer, Alabama, move forward under the merit system

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In the summer of 1935 the legislature of Alabama passed and the governor approved an act "to create and establish in each county of the state of Alabama which has a population of 200,000 or more people, . . . a county-wide civil service system."

On a number of counts this act and the system for which it provides are of current interest: first, there are very few units of government in the south which operate under the merit system; second, the act provides for a set-up which has a number of interesting and in some cases unique features; third, the personnel board which the measure creates has approached its task in a workmanlike manner and established a merit system which is such in fact as well as in name; fourth, present indications are that the system will survive notwithstanding considerable opposition.

The civil service act was sponsored in the legislature by the Jefferson County (Birmingham) delegation. Though phrased in general terms, the act was designed and meant specifically for Jefferson County. In all likelihood it will be many years before another county attains a population which will bring it under the terms of the law.

No sooner had the measure been signed by the governor than it was subjected to bitter attack. A writ of injunction was requested and quo warranto proceedings were launched by foes of the merit system, while an action in mandamus was initiated by its friends. The long and short of this period of litigation was that on April 4, 1936, the supreme court of Alabama declared the act constitutional, thus clearing the way for the more effective functioning of the personnel machinery which during the interim had been set up on a makeshift basis.

The act is a very complete and detailed document, reaching the length of approximately ten thousand words. It covers all of the subjects usually dealt with in such a measure, though it contains certain unique features which set it apart. Chief among these features, perhaps, is the citizens supervisory commission, which is the keystone of the machinery provided. In an effort to remove personnel administration completely from politics, an ex officio supervisory commission was established. Though the act does not say so in so many words, the commission has seventeen members. These are the county judge of probate (as chairman); the judge of the United States court located in Jefferson County; the presidents of the Birmingham and the Bessemer Chambers of Commerce; the president of the Birmingham Junior Chamber of Commerce; the presidents of Birmingham Southern and Howard Colleges; the president of the Birmingham Medical Association; the presidents of the

Birmingham, Bessemer, and Tarrant City Trades Councils; a representative of the Brotherhood of Railway Clerks, Locomotive Engineers, and Railway Trainmen; the presidents of the Birmingham and Bessemer Parent-Teachers Associations; and the commanders of the United Confederate Veterans, Spanish American War Veterans, and the American Legion.

The duties of the citizens supervisory commission are: first, to select the members of the personnel board (described below); second, to meet annually, receive the annual report of the personnel board, and make such recommendations to the board as it shall deem proper; third, to fill vacancies in the board; and fourth, to insure that the expenditures of the personnel office do not go beyond what seems a reasonable figure.

The personnel board contains three members who serve for six-year overlapping terms. The members serve without compensation except for an allowance of ten dollars per meeting, and this may not total more than forty dollars per month. The duties of the board, briefly, are: first, to appoint a personnel director, and second, to take final action on a great variety of personnel questions, usually on the recommendation of the director.

The director of personnel, who is selected by and serves at the pleasure of the personnel board, is an administrator in a real sense of the word. He serves as the board's executive officer and, in brief, has those duties normally falling to a personnel officer, though in virtually every instance his decisions take the form of recommendations which must be approved by the board.

The personnel department has jurisdiction over all county employees and over the employees of all cities in the county of more than 12,500 population, with certain exceptions. Cities of less than 12,500 may adopt the merit system by resolution of the governing body. Thus far none of the minor cities has seen fit to come under the jurisdiction of the board.

In effect, therefore, the civil service act provides for a merit system for Jefferson County and for the cities of Bessemer and Birmingham, with administration vested in the citizens supervisory commission, the personnel board, and the director of personnel.

WORK OF THE PERSONNEL DEPARTMENT

The first task of the personnel department was, of course, to conduct examinations and establish eligible lists in accordance with the terms of the law. The act divided employees already in the service into three categories: those with more than two years of service were blanketed in without qualification, those who had served between one and two years were placed on a probationary basis, and those of less than one year's tenure were given non-competitive (qualifying) examinations. The task of giving the prescribed non-competitive examinations has been completed.

On May 1, 1937, twenty-nine open competitive examinations had been held. Of the 942 applicants examined, 516 (about 55 per cent) had been placed on the eligible lists. Of those who had passed the competitive examinations, 28.3 per cent had received appointments.

The second major task confronting the personnel department was that of classification. The director attacked this problem and that of salary standardization simultaneously. By June 1st classification and standardization systems had been worked out for all county employees. Work recently was begun on classification in Birmingham.

An important aspect of the personnel department is that which pertains to research, with which it is charged by the civil service act. To date the director of personnel has caused to be made several surveys relating to such subjects as county purchasing, overlapping duties as among departments, and the organization and operation of the county charity hospital. In each instance the board has made recommendations based on the director's findings. Many of these have been approved, a few have been rejected, and some are now under consideration by the appropriate governing body.

Among the general functions of the personnel board is that of serving as a disciplinary body. Other routine duties involve maintaining the official roster of employees, keeping efficiency records, and recording such data as relate to leaves and absences, lay-offs, reinstatements, transfers, promotions, demotions, suspensions, removals, etc.

POINTS OF WEAKNESS AND OF STRENGTH

In some respects the civil service act and the personnel system which it sets up are subject to criticism, in others they are deserving of commendation. Chief among the defects to be noted is the fact that the governmental units affected by the act have the same organization now as always. Specifically, this means that in the county most of the important department heads are chosen by popular vote. This in turn means that some department heads are vigorously opposed to the merit system, some are friendly Indians, and some favor the system. The second major fault is to be found in the detailed and technical character of the act itself and the lack of clarity in some of its provisions. A third defect arises from the fact that the rules and regulations adopted by the personnel board in many cases repeat the statute, in some instances verbatim. Fourth, while there is one system of personnel machinery for Jefferson County, Bessemer, and Birmingham, the board in reality administers three personnel systems. There can be no transfer of employees from unit to unit. Further, Jefferson County is blessed with two courthouses and for practical purposes (in many respects) two county governments; and in general there can be no transfer of employees from the Bessemer courthouse to the Birmingham courthouse, or the other way around. Fifth, a department head may not remove an appointive employee: he may merely prefer charges which the personnel board hears and passes upon finally. Sixth, the act contains a provision that applicants must reside within the jurisdiction they desire to serve. Further, an applicant must reside in the Birmingham section of the county if he wishes to serve in the Birmingham courthouse and in the Bessemer section if he wishes to serve in the Bessemer courthouse. Seventh, while the act goes into considerable detail concerning the political activity of employees, actually it does not cover that subject satisfactorily. Eighth, cities of less than 12,500 population may come under the jurisdiction of the personnel board by resolution, and so far as the act goes they might come under one month and remove themselves by like resolution the next. Ninth, the system of partial blanketing-in and partial examination of old employees is looked upon with disfavor in most quarters.

On the other hand, several very excellent features may be observed. First, the method employed for naming the personnel board and in turn the director has had the effect of removing the department completely from politics. Second, the personnel board from the beginning has understood its functions and duties and has not interfered with the routine operation of the personnel office.

Third, the act vests considerable authority in the director, who has served as a real manager of personnel without the unnecessary and undesirable restrictions which so frequently hamper such an officer. Fourth, the provisions of the measure which relate to temporary appointments in general are good, though because of the pressure of work it has not been possible in every instance to abide by the letter of the law. Fifth, the promotional system set up by the statute is a good one. Sixth, and perhaps most important, the supervisory commission, the personnel board, and the director have worked individually and collectively to make a go of the merit system in Jefferson County. It is not difficult to visualize a situation in which the civil service act would have been much less satisfactory in operation than it has been.

SIGNIFICANT FEATURES

Among the features which characterize the Jefferson County law and the system set up under it may be observed the citizens supervisory commission. Various authorities have devised systems to remove personnel administration from political control. The system at hand constitutes an interesting effort in that direction which, in so far as a reasonably careful study reveals, has been successful in the attainment of its purpose. A second noteworthy feature is found in the fact that one personnel agency administers the merit system for three separate governmental units. Here is an intergovernmental agency—it might even be called a metropolitan agency—dealing with a problem common to several jurisdictions. A third unique arrangement is found in the three-class system, previously described, of dealing with employees already in the service. Fourth, there is the provision that when a vacancy occurs the director has the power to recommend to the personnel board that it be not filled. It is quite proper that he be given this function, though it is doubtful whether the board should have the authority on his recommendation to pass finally on the question of the adequacy of personnel in a given office. Fifth, it is a most interesting fact that no governmental body has control of the personnel department. The act provides that the supervisory commission through the personnel board shall control both the organization and the budget of the department; but the commission is an ex officio body made up for the greater part of private citizens and is in no wise related to any of the governmental units involved.

The act specifies that the expenses of the personnel office shall be prorated among Jefferson County, Bessemer, and Birmingham on the basis of number of employees. At the end of its first year of operation, the department rendered a bill to Jefferson County equal to .46 per cent of its net operating costs and to Birmingham equal to .33 per cent of its net operating costs (excluding schools, and library and health departments) for the last fiscal year. Many charges have been leveled against the personnel board but extravagance has not been one of them.

PROSPECTS

Handed down as it was by the state legislature, it would be generous to say that the act was received without particular enthusiasm by the local employees. In truth, it probably would be safe to go further and say that there was not a vast amount of enthusiasm for the merit system among the voters of the county. The lack of enthusiasm if not the downright suspicion with which the measure was received, together with the litigation previously mentioned, got the personnel board off to

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Housing and Resettlement in Vienna

The city on the Danube one of the first to assume responsibility for the housing of its lower income groups

ERNST KARL WINTER *Former Vice-Mayor, Vienna, Austria*

IN THE fifteen years of its regime the former Socialist municipal administration of Vienna had built up an exemplary housing policy on a large scale which had found appreciation and imitation in the rest of the world. The new municipal administration, nominated by the authoritarian government, however, has stopped the municipal housing program of its predecessor and has turned its interest to the problem of resettlement. The following exposition will attempt to clarify from a sociological point of view the economic presuppositions of the Socialist housing policy as well as of the resettlement policy of the new government. It will try to demonstrate how, despite their different ideological foundations, both are linked in the same feeling of political responsibility. The author believes himself to be competent to supply such an objective analysis, which presupposes a standpoint transcending political parties, because he, himself, although during the last four years a public functionary of the new regime, had always been an advocate of the Socialist housing policy. On the other hand, after the catastrophe of the Socialist Democratic party in 1934 he was in a position to demonstrate to the working class the importance of resettlement problems for the labor movement.

For the understanding of Vienna's housing policy as it was practiced by the Socialist municipal administration from 1918 to 1934, it is necessary to point out that it was an interesting *socialistic* experiment within a *capitalistic* world. Therein rested its value and its limitations too.

The first question that arises from the traditional European point of view is whether the public power in federal-state, local-state, or municipality (like the gradation of political organization in Austria) should bear the responsibility of the housing of the people, especially those of the lower income groups. The extent of influence of public power in the community is a historical, not a theoretical, question. It varies from one country to another. In one country public utilities such as transportation, and electric, gas, and water works are, as a matter of course, under public administration, while in another country all this is, as a matter of course, in the hands of private capital. Thus, the development of public administration may be different because of its dependence upon historical circumstances. Theoretically, however, and from a social point of view, the public responsibility for such matters exists wherever private capital, according to its immanent tendency, cannot satisfy the necessities of life. If this responsibility is accepted, then the various measures for its realization are of relative value.

The historical starting point in the legal sphere for the Socialist housing policy of Vienna was the so-called *Mieterschutz*, or protection of tenants by law, which the imperial Austrian government decreed during the World War to protect the poor against increases in rent and dissolution of leases by the proprietors of houses. This protection of tenants prevented the owners of property from giving notice to their tenants and from raising their rents. It was a kind of socialistic measure of the imperial government as were many other measures of the so-called war-socialism which was established in many countries during the World War.

LEGAL PROTECTION OF TENANTS

It was on this law for protection of tenants that the Socialist municipal administration of Vienna built up its housing policy. The Socialist Labor party in Austria always defended the protection of tenants, often with undemocratic measures such as parliamentary obstruction or filibustering. Even the authoritarian regime of today could not yet break down this protection of tenants, because it is too deeply rooted in the sentiments of the population of Vienna. It has also long since become an integral part of Austrian economy, which is accustomed to it. The determination of wages and rents in Austria had long been adjusted to this legal situation. This is the reason the measure for the protection of tenants in Austria, decreed by imperial law in the World War and defended for fifteen years by the Socialist Labor party, continues with little change in the present authoritarian era and probably will continue for a long time.

This obstinacy of a legal regulation, however, needs further explanations. Housing conditions in Vienna before the World War were abominable. The average dwellings were very small, one room and kitchen often without air and light, with windows opening into a narrow inner court, without toilet and inside plumbing—altogether unhealthy and depressing for the life of the poor people living in such quarters. Moreover, the proprietors of these houses were possessed of extraordinary power. The landlord or *Hausherr* was an important personage in pre-war Viennese social and political life. Consisting mostly of small people like bakers, butchers, tailors, and shoemakers, the landlords had what amounted almost to a right upon the life and death of their tenants. The landlord alone decided whether the tenant might remain or must leave the dwelling; he often even exercised a control over the number of children in a family, since families with many children could not easily find a dwelling. The landlords had likewise important political power. The Christian Socialist party, led by Dr. Karl Lueger, mayor of Vienna, found the mainstay of its support in this potent class of proprietors, and according to the election law of that time, this group elected most of the representatives in the city council of Vienna. All these circumstances explain the deeply rooted resentment of the working class in Vienna against these proprietors who personified for them the hated capitalistic system and who entered so intimately into their daily lives.

MUNICIPALIZING IN VIENNA

This political importance of the housing problem in Vienna can be understood only if one considers the extension of municipal administration before the Socialists came into power. Already in the 1890's Dr. Lueger, the leader of the Christian Socialist party, had municipalized such public utilities in Vienna as street cars, and electric, gas, and water works. Vienna thus became the first city in Europe to undertake municipalization on a large scale. In the light of this situation, therefore, the demand for municipal construction of dwellings for lower income groups was not very extraordinary.

Thus, the urban housing movement in Vienna began not with private initiative, but with the municipality. The Vienna municipal administration very early recognized the importance of the low-cost housing problem and the vital need for a public housing program. Moreover, municipal control of housing was an old political demand of the Austrian Labor party. Soon after the World War, therefore, the city council drafted a comprehensive long-term program for the housing of lower income groups. Implicit in this measure was the political idea that the public administration in federal-state, local-state, and municipality is responsible for the housing of the lower income groups. The Vienna municipal administration, supported by the Socialist Labor party, was able to inaugurate a housing policy, which, in a short time, became the model for other municipalities as well as for states. For fifteen years the city of Vienna worked to improve housing conditions for the working class. The political development in Austria in the years 1933-1934, however, broke the power of the Socialist Labor party and thus deprived the Austrian working-class of this administrative activity. The new municipal administration of Vienna, nominated by the authoritarian government, stopped almost entirely the construction of dwellings. This was due to the situation resulting from the financial policy of the federal government against "red" Vienna. The large apartment buildings, built by the Socialist municipal administration during its fifteen years of power, remain, however, as the permanent monument of the Labor Party administration both in the appearance of the city as well as in the hearts of the people—an impressive sight for every visitor to the old city on the Danube.

The Socialist municipal administration first developed a program for the construction of ten thousand dwellings. This was later increased to twenty thousand, then forty, and finally seventy thousand. A total of seventy-five thousand dwellings was built during the fifteen years. If we add to these the number of dwellings and settlements built by the new municipal administration and the dwellings in old houses owned by the municipality, there are nearly eighty thousand dwellings operated by Vienna—a city with two million inhabitants and approximately half a million independent households.

HOUSING POLICY

There was no slum clearance in Vienna because the municipality built only new buildings on new sites. The city had always been an important landowner and it also made new land purchases. The housing policy of Vienna was thus connected with the land policy. The land owned by the municipality was, of course, limited and this was the reason big apartment buildings were built rather than family houses, as the political antagonists of the Socialist housing policy were demanding. The costs of building a satellite city, for example in the northeast of Vienna, with the necessity of opening up large areas, acquiring land, installing new transportation facilities, and providing water, sewage, electricity, and gas, would have been too high. On the other hand it must be said that the socialist administrators in Vienna had little understanding of the problem of one-family houses, not to speak of resettlement or the homestead movement.

TAXATION

The first principle of the municipal construction program was to finance building operations not by loans but by taxes. Private capital could not find enough profits in the building of dwellings for the lower income groups. This phenomenon, which was quite general in the post-war period, was strengthened in Austria by the above-mentioned legal protection of tenants. The municipal administration, therefore, found that it had to build and that it was better for it to build by taxes than by loans since loans burden succeeding generations much more than taxes burden the present. This method was without doubt really socialistic within a world which is still capitalistic.

A special tax was levied in Vienna for the building of lower-income dwellings. This was the so-called *Wohnbausteuer,* which was required of everyone who had a dwelling within the city. The city of Vienna, being a state in the Austrian federal state as well as a city, has the right of taxation like other states. Later the municipality also used other taxes for building. The new municipal administration, on the contrary, still collects the old tax for building, but uses it to cover the higher welfare budget.

The dwellings could be very cheap because the municipality was building by taxes and not by loans. In the rents there need not be a quota for amortization of borrowed capital. The municipality also did not seek to make any profit from its dwellings. The rents served only to meet the current carrying charges of the houses. The same principle guided the municipal administration of public utilities such as street cars, electricity, gas and water. All these facilities therefore could be provided very cheaply.

The reactionary forces were concentrated against this socialistic experiment. The Socialist housing policy resulted manifestly on the one hand in the depreciation of private capital invested in real estate and houses, and on the other hand, in the concentration of the building of dwellings for lower income groups entirely in the power of the city. The whole building industry was controlled by the municipal administration and had to submit to the conditions which the municipality imposed. In connection with the protection of tenants the Socialist housing policy brought about a sterilization of private housing capital and ultimately, therefore, influenced the municipalizing of housing in the city. Private capital, therefore, accused the municipality of destroying the basis of national credit, which was, according to this view, the only thing which could save the Austrian economy from ruin. To this the municipality answered that the city itself would be the best guarantee of national credit. The central planning of housing for lower income groups by the municipality, it claimed, had raised the standard of housing of the working class in Vienna and therefore also stimulated the energy of this class; this positive gain, therefore, counterbalanced the other possible loss.

In fact, the housing policy of the municipality and its achievements did stimulate greatly the self-consciousness of the Vienna working class. No other political problem in Austria so agitated political passions as did this question. This makes it impossible for the new municipal administration, nominated by the authoritarian regime, to modify the hitherto existing political line. The same municipal taxes still continue and there is likewise the old protection of tenants by law.

RESETTLEMENT PROBLEMS

The new municipal administration was at first forced by financial reasons to stop the building of dwellings for lower income groups. Only lately has the new municipal administration again begun to build dwellings in modest form. They constructed emergency dwellings for homeless families (*Familienasyle*) and houses for the middle class. This latter was done, according to the official explanation, in order to demonstrate to private capital that private building would be profitable. Whether this public example is attractive for private capital still remains an open question.

The new regime has applied itself with more energy to the resettlement policy. This had likewise been initiated by the Socialist municipal administration at the beginning of the economic crisis. Resettlement in Vienna proceeds from the federal government, but is sponsored by the municipality. It gives to industrial workers who have lost their full employment in the factories additional agricultural work. This resettlement, therefore, is called *Nebenerwerbssiedlung,* which means supplementary settlements, because of the combination of industrial and agricultural labor income. Most settlements of this kind have been established on the other side of the Danube in the twenty-first district of Vienna. There the resettled industrial workers raise vegetables and fruits. Cultivation and sale of the products are organized by coöperatives, but without prejudice against private initiative. Only such fruits and vegetables are raised which are not cultivated by the Austrian peasants and by the gardeners of Vienna. This is to avoid competition. Resettlement in Austria is still in the experimental stage. The industrial workers who are willing to leave the city and to go to settlements in the environs of the city must be ready to live more primitively than before. Only the economic crisis has prepared the workingman for this hard resolution. Public authority can attempt only to make the conditions of resettlement as tolerable as possible, but it cannot arrange the same conveniences in these settlements as are found in urban dwellings. The financial means for making this possible are not available in Austria. Living conditions in the settlements, therefore, are very primitive with only a so-called *Kernhaus,* or skeleton house to live in. The agricultural equipment for the settlers is, of course, more important than the domestic facilities. Foreign visitors to these settlements around Vienna may see how poor Austria has become and how severe the methods must be for helping the poor people.

In evaluating the achievements of Vienna housing as well as resettlement it is necessary to bear in mind that the Austrian standard of living is much lower than the American. Many things which are accepted as conveniences in the United States in Austria are still a luxury and available only to a small selected group of people. In Austria, for example, central heating, electrical cooking, bathroom, elevator, incinerator, and refrigerator are still luxuries which even the middle class does not always enjoy. The advance in the standard of living, however, is demonstrated in the greater completeness of the dwellings, which have now their own toilets and water service, and in the greater spaciousness of the buildings, which have large courts and gardens and therefore more light and air for the dwellings. There are, moreover, social rooms and community halls. Last but not least there is the important factor of the self-consciousness of the working class in having built with its own power these better houses.

Likewise the importance of the resettlement policy lies not in the improvement of the dwellings, but in the possibility of a supplementary job for the industrial part-time workers; or even in the possibility of a job generally for those industrial workers who have fallen out of the industrial world and who in consequence of the shrinkage of the industrial potential in Austria can no longer hope to be re-established in their former industrial status. Resettlement therefore is a measure effected by the economic depression and its extension depends on whether we consider the industrial crisis in Austria as a permanent or transitory phenomenon. But even those who emphasize the transitory character of the crisis must concede the permanence of structural unemployment in industrial society with its technical specialization of labor. Consequently prosperity too brings a more or less small group of permanently unemployed which resettlement can absorb.

The planning of resettlement as in Austria will create a new type of productive life which is neither entirely industrial nor agricultural, but a combination of both. The highly skilled industrial worker, as the experience in Austria shows, is capable of qualitative agrarian work, such as cultivation of valuable fruits and vegetables which peasants and gardeners often cannot cultivate. The industrial workers are also better educated by their labor movement and the coöperatives for the necessary organization of coöperatives for production and distribution. Thus, a new type of individual arises who combines industrial and agricultural qualifications.

The economic life after the World War and after the present economic depression in Austria has added new functions to the federal government as well as to the municipal administration. Not only the administration itself in the old-fashioned sense must be fulfilled by the public authorities but the constructive planning of new life also. The political struggles in Europe with their contrast between democratic and fascist, socialist and nationalist tendencies have displaced the profound study of economic problems and relations. Within the anti-socialist circles, moreover, all constructive planning is suspect. Nevertheless, the trend of development in the near future in Europe must be towards greater constructive planning both in housing and resettlement—provided that Europe is still to be saved from political catastrophe.

PERSONNEL PROGRESS IN THE DEEP SOUTH

(Continued from Page 396)

a slow start, so that it was late in the spring of 1936 before the machinery was in effective operation.

In the fifteen months since the supreme court's decision, the merit system appears to have gained ground on every hand. The most significant test it has made came in the course of the recent Birmingham city primaries. While it would not be correct to say that civil service was an active issue in the city campaigns, it is true, nevertheless, that the merit system came in for considerable discussion, that its one outspoken foe among the candidates was defeated and its supporters elected, and that the results of the primaries are regarded in most quarters as a victory for merit principles.

The merit system is regarded with varying feelings by the officers and employees themselves. The conclusion seems warranted that, among the employees, its supporters are increasing in numbers as time goes on. As for the higher and particularly the elective officers, there was a great deal of opposition when the act became effective. Elective department heads often insisted that merit principles negated the fundamental doctrines of democracy, that the personnel office interfered unduly in the operation of their departments, and that their alleged responsibility to their constituents was destroyed through the intervention of the personnel office. Here, too, the opposition seems less determined than in the beginning. At any rate it is less articulate. It would be fatuous, however, to insist that the merit system has come to be accepted without question among all the departments.

It is quite likely that the merit system will be a leading issue in the legislative campaigns of 1938. It would be foolhardy, of course, to predict the outcome of these contests, but friends of the system feel that they have met successfully their major test and that, barring untoward developments, they will weather the forthcoming storm.

Merge Units of Local Government in England and Wales

Action under 1929 local government act results in marked decrease in number of governmental units

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A COMPREHENSIVE review and revision of local government areas in England and Wales has been carried on during the last few years in accordance with provisions of the local government act of 1929. The general result has been a substantial reduction in the number of urban districts, rural districts, and rural parishes, and numerous changes in the boundaries of county boroughs, other boroughs, urban and rural districts, and parishes, as shown in the table below.

To summarize, the number of urban districts has been reduced by 132 or 16 per cent, the number of rural districts by 164 or 25 per cent, and the number of rural parishes by 1600 or 12 per cent. Alterations of boundaries, for the most part extensions, have been made for about half of the county boroughs and three-fourths of other boroughs. The changes in county boroughs have meant corresponding changes in the boundaries of the administrative counties.

Some account of the process by which these extensive changes have been made should be of interest, and may offer suggestions as to methods by which needed changes may be made in other countries.

Section 46 of the local government act of 1929 provides for a first general review of districts by county councils. After conference with the councils of other local authorities each county council was to report to the minister of health, by April 1, 1932, or a later date to be determined by the minister, with proposals for changes. These might include alterations in the boundaries of county boroughs, if the county borough council agreed. The minister was required to send copies of the proposals to the councils of districts affected; and to consider the proposals and any representations made by local authorities or local government electors affected; and may make orders giving effect to the proposals, or any of them, with or without modification. If objections to the proposals are made and not withdrawn a local inquiry must first be held.

If no proposals for change are made by any county council, the minister may make proposals and, if objections are made and not withdrawn after a local inquiry, may make an order for changes.

	Former number	Number altered	Number abolished	Number created	Present number
County boroughs		40	0		83
Boroughs		186	0		255
Urban districts	785		180	48	653
Rural Districts	646		230	66	482
Rural parishes	12,800		1,600 (net)		11,200

All orders for changes are required to be laid before Parliament as soon as may be after they are made.

Another clause authorizes the minister to make orders to remove difficulties up to December 1, 1930. Such orders were to be laid before Parliament and cease to operate after three months unless approved by resolution of both houses of Parliament.

The local government act of 1933, which consolidated the laws on local government, contains other similar provisions for the alteration of particular urban and rural districts and parishes (sections 141, 142), for the adjustment of boundaries of counties and county boroughs (section 143), and for further reviews of county districts after ten years from the first review (section 146).

To assist in carrying out the provisions of section 46 of the act of 1929, the ministry of health in September 1929 issued to local councils a memorandum (L.G.A. 24), outlining the procedure to be followed in reviewing the areas of county districts, the considerations to be taken into account, information required by the minister and additional information which the county councils might find it desirable to obtain, advice on special matters, the form of proposals, maps, the deposit and distribution of documents, and notice and representations.

The procedure suggested was for preliminary informal conferences with other local authorities, the drafting of tentative proposals for further consideration, leading to the proposals to be submitted to the minister. Considerations to be taken into account included the financial strength of the proposed areas, the wishes of the inhabitants, the equity of local burdens, and community of interest. An appendix to this memorandum presented blank forms for information and other matters.

In February 1931 the ministry of health issued a further memorandum (L.G.A. 42), supplementing that of September 1929, with additional suggestions as to procedure, considerations to be taken into account, and other matters—the latter including suggestions relating to education, the effect of de-urbanization on the general exchequer grant of an urban district, unclassified roads in rural areas added to urban areas, the housing penny rate, special rates in rural parishes, the employment of counsel and expert witnesses, the number of rural district councillors, the names of new districts, and the adjustments of property and liabilities.

MANY PROPOSALS MADE

In the year 1930-31 reviews and proposals were received for the whole of four counties and parts of three others. Orders were issued in six cases. By the end of the next year (March 31, 1932), the date named in the act of 1929 for the submission of proposals, complete proposals had been received from twenty-one counties, partial proposals from five others, and two counties reported that no changes were recommended. During this year five local inquiries were held and seven orders were issued, making a total of 330 alterations in the areas of local districts. By March 31, 1933, a total of fifty counties had submitted complete proposals and one county partial proposals. During this year (1932-33) thirty-three local inquiries were held, eleven orders were made, and the minister had decided five other cases. Proposals from two counties had been referred back for further consideration.

In the year 1933-34 fifteen local inquiries were held, thirty orders were made, and decisions reached in six other cases. By the end of this year a total of sixty-three orders had been made affecting forty-one counties. In Cornwall the number of urban and rural districts had been reduced from thirty to eighteen, in Cumberland from twenty-one to eleven, and in Sussex from twenty to eleven. In many counties the number of parishes had been largely reduced. Agreements had been reached for the extension of twenty-one county boroughs and were proposed for seven others.

In the year 1934-35 twenty-two orders were made and in 1935-36, eight more.

The operation of this procedure may be further illustrated by an examination of the documents for several counties. The magnitude of the problem is suggested by the bulk of the documents. The proposals submitted by four counties formed documents ranging from 41 to 227 pages of folio size. The orders issued by the minister of health for these counties ranged from 44 to 149 pages of standard octavo size.

The proposals submitted by the West Sussex county council in June 1932 provided for extensions of the city of Chichester, the municipal borough of Worthing, and three urban districts; alterations of eight rural districts, including two cases where two districts were united, reducing the number of rural districts from eight to six; and alterations of fifty-two parishes including twenty-one cases where parishes were united, the addition of detached portions of parishes to neighboring parishes, the transfer of parishes from one rural district to another, and other alterations of parish boundaries. Twenty parishes were to be reduced in area, eighteen to be increased, and six were both reduced and increased. The main proposals were followed by consequential proposals relating to wards, county electoral divisions, petty sessional divisions, coroners' districts, and other matters.

The greater part of the document contained detailed statistical tables relating to the various areas in the county and the proposed changes. A map showing the existing and proposed boundaries was also included.

RESULTS IN WEST SUSSEX

The order of the minister relating to the county of West Sussex is a pamphlet of sixty-eight pages dated March 8, 1933. A preamble states the main features of the county council's proposals, and notes that copies of the proposals had been sent to the authorities affected and notice published, and that a local inquiry had been held and a report made by an inspector, and that the minister had decided to make the following order giving effect to the proposals, subject to certain modifications. The order then states the main alterations in boroughs, urban districts, rural districts, and parishes, but the precise areas are indicated by references to maps. Particular modifications of the county council's proposals are not stated. The number of cases where parishes were united, listed in a schedule, is nineteen, while the county council had proposed twenty-one. Further parts of the order deal with members of local authorities and elections; administration of justice, coroners, roads and county administration; dissolution of authorities, property liabilities, etc.; local acts, provisional orders, adoptive acts, by-laws, etc.; rating and valuation; officers; and supplementary. Fourteen schedules supply additional details.

The review and proposals of the Derbyshire county council, submitted in August 1932, is a bulky document of 191 folio pages. All of the councils of the county districts, parish councils, and parish meetings were given an opportunity to make proposals, conferences were held with the council of each of the county districts, and with representatives of many parish councils and parish meetings, and consultations with the adjoining county boroughs of Burton-upon-Trent, Derby, and the city of Sheffield.

The proposals included small additions to the county boroughs of Burton upon Trent and Derby; additions to three municipal boroughs and nine urban districts; the union of six urban districts into two, the transfer of five urban districts to rural districts, and the creation of one new urban district; the union of six rural districts into three, and the division of one rural district into two; with other alterations of rural districts and parishes and the union of parishes. These proposals would reduce the number of urban districts from twenty-one to thirteen, and the number of rural districts from thirteen to ten.

DERBYSHIRE PROPOSALS

Two orders were issued by the minister of health for Derbyshire, one on February 23, 1934, and the other on February 16, 1935. The first order covered the greater part of the county; and the second dealt with several urban and rural districts not covered by the first order.

Two changes from the county council's proposals, of some importance, may be noted in the minister's order. The proposal for the division of one rural district into two is not included in the order, and the order provides for a new urban district not included in the proposals.

The review and proposals of the Kent county council forms another bulky document. A special committee was appointed for study of the problems. Letters were sent to adjoining county boroughs and to the borough, urban and rural district councils in the county, asking them to submit proposals for consideration. After a preliminary survey conferences were held at nine places between representatives of the county council, the county districts and parishes affected by the proposals, and the county boroughs of Canterbury and Croydon; in some cases an inspection was made of the areas affected. Following these conferences tentative views were framed and circulated to secure further observations and further conferences were held. As a result the proposals submitted to the minister were formulated and were approved by the county council on November 18, 1931.

The number and general nature of the changes proposed are shown in the following table:

	Authorities existing	Authorities created	Authorities ceasing to exist as such	Authorities proposed	Boundaries	
					altered	not altered
Administrative Areas						
Boroughs	19	..	..	19	14	5
Urban districts	23	3	5	21	19	4
Rural districts	23	3	8	18	21	2
Totals	65	6	13	58	54	11
Civil parishes						
Borough	31	5	17	19	28	3
Urban	23	6	8	21	19	4
Rural	357	5	66	296	209	147
Totals	411	16	91	336	256	154
Detached parts of civil parishes						
Urban	8	..	8	..	8	..
Rural	88	..	88	..	88	..
Totals	96	..	96	..	96	..

It will be noted that no changes were proposed in the boundaries between county boroughs and the administrative county; but changes were proposed in the boundaries of fourteen boroughs, nineteen urban districts, and twenty-one rural districts, a total of fifty-four of the sixty-five existing areas. Five urban districts and eight rural districts were to be absorbed and three new urban districts and three new rural districts to be created, a net reduction of such districts from forty-six to thirty-nine. The boundaries of 256 of 411 existing parishes were to be altered, including the absorption of eighty-eight detached parts of parishes; ninety-one parishes were to cease to exist and sixteen new parishes were created. The proposals also included a consideration of consequential matters, relating to other areas and authorities, and problems of rating and valuation.

While these proposals were among those first submitted, it was not until March 2, 1934, that the minister issued an order dealing with a large part of the county; and a year later (February 21, 1935) another order dealt with most of the remaining portion. This delay may be explained by the numerous and extensive changes proposed.

These orders provide for the abolition of six urban districts, eight rural districts, sixty-three parish authorities, and sixteen other authorities; for the creation of two new urban districts, three new rural districts, and thirteen new parishes; and for many alterations in the boundaries of boroughs, urban and rural districts, and parishes. One new urban district proposed by the county council was not created; one urban district was abolished in addition to those proposed by the county councils; and the number of parish authorities abolished is twenty-eight less than those proposed by the county council. With other modifications in minor alterations, it appears that the orders of the minister varied to a considerable extent from the proposals of the county council.

The annual report of the minister of health for 1935-36 states that eight county review orders had been issued during the year, relating to the counties of Chester, Durham, Essex, Gloucester, Leicester, Salop, York west riding, and Lincoln (parts of Kesteven). The principal changes made by these orders were:

Chester: Alterations in the boundaries of the city and county borough of Chester, the county borough of Stockport, four boroughs, twelve urban districts, and eight rural districts; the extension of three boroughs and seven urban districts; the abolition of six urban districts and one rural district; the creation of one new urban district.

Durham: The extension of the county borough of Gateshead, one borough and two urban districts; alterations of boundaries of the county borough of South Shields, one borough, two urban districts, and three rural districts; the abolition of one rural district; and the creation of one new rural district.

Essex: The extension of two urban districts; alterations of boundaries of one rural district; the abolition of three urban districts and one rural district; the creation of one new urban district.

Gloucester: Alterations of boundaries of one urban district and one rural district.

Leicester: Alterations of boundaries of the city and county borough of Leicester, six urban districts, six rural districts; the extension of one borough; and the abolition of one rural district.

Lincoln (parts of Kesteven): The extension of one borough, one urban district, and two rural districts; alterations of boundaries of one urban district and five rural districts; and the abolition of three urban districts and one rural district.

Salop: Extensions of one rural district and abolition of one rural district.

York, West Riding: Extensions of the county borough of Doncaster, and the city and county borough of Wakefield; alterations of boundaries of the county borough of Rotherham, three urban districts, and two rural districts; and the abolition of one urban district.

This report also notes other changes in local districts during the year, not in connection with the general county reviews, as follows: a local act for the extension of the county borough and parish of Sunderland; a provisional order (confirmed by Parliament) for the alteration of the boundaries of the counties of Chester and Derby; an order for altering the boundary between the county of Surrey and the county borough of Croydon, under section 143 (2) of the local government act of 1933; and fifteen county council orders, approved by the minister, altering boundaries of urban and rural districts in nine counties: Berks, Cornwall, East Sussex, Leicester (six orders), Middlesex, Stafford, Surrey (two orders), Westmoreland, and York, east riding.

The first series of county reviews is approaching completion. Ninety-three orders had been issued by March 31, 1936, covering all but parts of four counties; by April 1, 1937, only part of the west riding of Yorkshire remained, and the order for this will come into operation by April 1, 1938.[1]

In other matters before the ministry of health, orders of the minister in a number of cases have been delayed, and in some cases permanently restrained, by proceedings in the law courts. In the matter of county review orders only three cases have been delayed by court proceedings and none of them were successful.[2]

The Purfleet urban district council in 1934 applied for writs of prohibition, certiorari, and mandamus in the case of the amended proposals for Essex County, which had been submitted at the request of the minister. It was urged that the county council had no power to amend its proposals, and that it had not held conferences before submitting the amended proposals. Objection was also made on the ground that the proposals had been submitted after the date named in the statute without a formal extension of time by the minister. Following the ruling of the high court upholding the order, this case was carried to the court of appeal and the House of Lords, both of which sustained the ruling of the high court.

The Newhaven rural district council in 1934 applied for a mandamus to compel consideration of a proposed addition to the county borough of Brighton, which the council of the county borough had agreed to, but not the county council. But this case was also disallowed by the high court.

The Hampton urban district council, in 1936, brought proceedings in connection with an order applying to Middlesex County, on similar grounds to those in the Purfleet case. But this also was disallowed by the high court.

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[1] Attention may also be called to the report of the Royal Commission on Local Government on the Tyneside area, issued in March 1937. [Cmd. 5402.] This recommends the amalgamation of the city and county of Newcastle-upon-Tyne, three county boroughs (Gateshead, South Shields, and Tynemouth), three municipal boroughs, four urban districts and parts of three other urban districts, located on both sides of the River Tyne, into one municipal borough to be known as the city of Newcastle-upon-Tyne, with power over minor local services; and that the area of this combined city with the administrative county of Northumberland should be placed under a regional authority for the management of public health, education, public assistance, police, fire brigade, and highway services.

[2] 50 Times Law Reports, 427 (10/5/34), 532 (23/7/34) and 52 *Ibid* 33 (24/10/35); 3 All England Reports, 169 (14/10/36); Report of the Minister of Health, 1933-34.

The Drama of the Commission Plan in Galveston

Member of famous "deep water committee" tells story of origin and experience with commission plan

I. H. KEMPNER

Former Mayor of Galveston

On September 8, 1900, a tidal wave from the Gulf of Mexico swept over Galveston. Galveston as a port was reaping the benefits of the achievement of the engineering corps of the United States war department in developing deep water permitting ocean-going ships to enter and leave its harbor. A city small in size had become one of the leading ocean ports of the United States.

The June 1900 federal census showed Galveston's population to be 37,389. Within a few brief hours, however, almost one-fourth (approximately 7500) of its population were killed by the storm, and, in the course of a few short weeks, as many more left the city because of grief over the death of loved ones, despair over loss of property, and inability to pick up locally the thread of their economic and social lives. The physical property loss totalled 60 per cent of all assessed values, but impairment of confidence and faith could not be measured in volume or value.

It is not easy to paint the picture of suffering and despair that entered into the hearts of the survivors of this disaster. Galveston is located on an island with Galveston Bay on one side, the Gulf of Mexico on the other. The highest portion of the island was about ten or twelve feet above mean low tide. The houses adjacent to the Gulf were mostly of wood so that the force of the water not only destroyed them but converted the wreckage into a floating battering ram which, impelled by wind and water, gathered greater destructive power. Survivors for days had to look into this tangled mass of wreckage, which blocked every street and opening, for the missing and dead. Burial of the dead was impossible: cremation on the spot was necessary.

The intensity of wind and wave was unbelievably brief in comparison with its power of destruction. When the writer left his office at four p.m. for his residence, salt water filled all streets to a depth of two or three feet but there were no signs of destruction, no appreciable threat to life and property. About seven-thirty, however, the force of the wind increased to hurricane proportions. Practically every wind gauge was broken since none could indicate a force exceeding 115 miles an hour: reliable estimates are that the wind's velocity was 140 miles an hour. The water rose rapidly. In little more than an hour, however, the storm abated—so quickly were the forces of destruction over, yet leaving a trail of havoc and agony.

Government of Galveston prior to September 1900 was but a repetition of the story of city government in other cities. A mayor and board of aldermen were elected at large by the entire vote of the people; expenditures invariably exceeded revenues; indebtedness funding bonds were periodically issued to cover the deficits of each two years. The city was practically bankrupt even before its disaster. Default in the payment of interest on its bonded indebtedness was imminent. Scrip salable only at a big discount had been issued to meet current bills and wages. Factional strife, jealousy, and personal political objectives had become much more important than regard for the city's interest.

Gradually, after the daze following the great disaster, local leaders realized beyond any possible doubt that, if world confidence or even local confidence in Galveston as a city or as the great port of the southwest was to be restored, if the feeling of personal safety and recoverable assets was worth redemption, if protection to life and property against the elements was practical and could be financed, if the city or port's economic future was to be saved, some extraordinary action must be taken. The determination to surmount these obstacles had to be translated from ideals and aspirations into practical action by its own people.

There had existed in Galveston for many years prior to 1900 an organization known as the deep water committee. This self-constituted, self-perpetuating committee had been originated by a group of successful citizens who gave their time and their services without compensation towards capitalizing underlying sentiment in the great trans-Mississippi section of our country favorable to the development by the government of a needed port for the southwest. But when in 1900 the forces of nature threatened to destroy the works of men, the members of this committee assumed the additional task of finding means and measures of meeting the deplorable situation the storm had created.

They addressed themselves to rebuilding the credit of the municipality and of providing funds for the staggering cost of protective work. The personnel of the committee at that time consisted of B. Adoue, J. P. Alvey, Charles Fowler, Colonel Walter Gresham, I. H. Kempner, Major R. G. Lowe, Colonel W. L. Moody, George Sealy, and R. Waverley Smith.

COMMISSION PLAN ESTABLISHED

Colonel Walter Gresham, a lawyer and ex-member of Congress, had been an active member of the deep water committee in establishing contacts throughout the west and southwest as well as in the halls of Congress. It occurred to him to study the method of government of the District of Columbia, whose inhabitants have no voice in the selection of their governing body. This led also to consideration by him, Waverley Smith, and F. D. Minor of the organization and operation of the taxing district of Shelby County, under which the city of Memphis surrendered its charter and sought relief from insuperable tax burdens after its yellow fever epidemic. These two cities furnished the genesis of the commission form of government as established in Galveston.

A bill was passed by the Texas legislature providing that the city of Galveston should be governed by a board of commissioners consisting of a mayor-president and four commissioners. It was also provided that three of these commissioners should be elected by the people and two should be appointed by the governor of the state. Subsequently under influence of court decisions the charter was amended to provide for election, by the qualified voters, of all five of the board.

This board, so constituted, with nominal salaries, took charge of a bankrupt city, wherein 40 per cent of its population were either killed or had left the city and actual damage to property aggregated over $15,000,000—out of a total assessed value of $28,000,000.

With a floating debt of over $200,000 and a bonded debt of $2,800,000 confronting them, to which was to be added at least $2,500,000 of bonds to be issued for necessary protective work, with only about $20,000,000 of assessed values, the commissioners accepted the challenge.

THE CITY RESTORED

The protective work of raising the grade of the city from about three feet above sea level to eighteen feet involved bond issues of $3,325,000. There was spent out of current revenues for repairs of municipal buildings, streets, paving, and other replacements necessary as the direct outgrowth of the storm, a minimum of $400,000, collected in four years from back taxes due on depleted values of property. In raising of houses, reconstructing sidewalks, taking care of shrubbery, Galveston individuals spent at least $2,000,000 of personal, as contrasted to tax, funds. In addition to this the county of Galveston spent $1,500,000 for the construction of a sea wall. Contrary to current belief, the federal government was not called on and has not contributed one cent to the protective work of Galveston except the structures erected in front of the forts and harbor of Galveston. Not one dollar of the principal of any Galveston municipal or county indebtedness (bond or floating) was scaled. Holders of city bonds were called on to accept 50 per cent reduction in interest for a period of five years; their principal has since been paid in full.

The task and cost of protecting Galveston from a repetition of disaster has been faced with the courage and confidence that was bound to beget success. Today the residential area of the city has been raised to a level of eighteen feet above mean low tide, higher than any water in the history of the island. The sea wall, designed by eminent engineers, has been thoroughly tested twice since 1900 with storms of great water force. Behind these protective works the city and port is deemed a place of as great safety today as any inland town.

The story of the success of the commission form of government in Galveston would be incomplete and unfair if it did not make full acknowledgment of the unselfish coöperation of the people as a whole: an exhibition of a spirit of coöperation and civic pride that is almost without parallel in the record of any municipality but which unfortunately prevails today only at a much diminished rate.

The question is frequently raised as to whether a city can be better governed under the commission form than under the aldermanic form. I answer frankly, "yes." The commission system is less cumbersome, affords opportunity to the head of each department to know its workings better, to come in closer contact with his subordinates, to assign and lay out work, to ascertain costs and check results with greater satisfaction to himself. It has the advantage and benefit of simplicity, which affords to the individual citizen greater opportunity of following the handling of municipal business in a really intelligent manner, thereby increasing and keeping active the interest of the citizen in his government, though it shares the inescapable feature that inefficiency cannot match integrity, and that graft undermines ability.

Objections to the commission form of government have been urged—that it is undemocratic; that it centralizes power and authority in a few men; that there is danger of such power in the hands of inefficient men, etc. I submit that the commission form of government is but a concentrated expression of representative (not pure) democracy. That it places great power in the hands of a few men, I admit, as well as that there is danger of such power in the hands of inefficient or dishonest men; but the safeguard is an active public interest and the more favorable opportunity of selecting good men. Instead of the voters having to know the record and fitness of a large number of men, they need ascertain only such record of a limited few. The ticket is a simple one, if the election of commissioners is by the city at large, not the complicated form and mass of names which taxes the capacity of the average voter to unravel and select. The professional politician may be able to control his ward, but the control of the entire city is more difficult, and when the choice of public servants to direct municipal affairs is reduced to a reasonable number and made by the entire electorate, the influence of the ward-heeler in behalf of his henchmen is neutralized and dissipated, and the opportunity to the people of selecting men of known fitness for these positions facilitated and increased.

In the discussion of the advantages of the commission form of government the theory is frequently advanced that it is a success in Galveston solely because its great disaster awakened public conscience, causing the citizens to select good men and causing good men to be willing to serve. I deny that outstanding ability in our various boards of commissioners is wholly responsible for what we have accomplished in Galveston. The Galveston plan is simply a board of municipal directors, composed of a mayor without veto powers and four commissioners, all elected at large for two years by the qualified voters of the entire city. With the exception of the city tax assessor all other officials are appointed by a majority vote of the board, and as a rule no appointment is made in any department except on recommendation of the commissioner in charge of such department. No commissioner can readily or plausibly shirk responsibility for the acts of his appointees, and instances of insubordination are rare. The budget under the charter becomes fixed for the year; disbursements cannot exceed the normal and reasonably assured revenue when once fixed; only by unanimous vote of the entire board can an item be increased or diverted. If only one commissioner remains honest and vigilant, he can, single-handed, turn the spotlight of publicity on every dark corner where graft and intrigue may seem to lurk.

Differences between the Galveston and other plans of commission form are, first, that in many cities the powerful influence of veto power is accorded the mayor; and, secondly, that there has been injected into the plan of many cities the populistic virus of initiative, referendum, and recall—the most dangerous and seductive brew that a municipality has ever been called on to quaff, which, like an insidious drug, will breed indifference and sloth, and create the illusion that we may neglect our civic duties at will, because with this potion all civic evil can be corrected. No greater deterrent to the progress of good government has arisen than this plausible theory with its slogan, let the people rule.

The satisfactory experience of Galveston and other commission-governed cities may well be considered as partly responsible for the later growth of the city manager plan, now in use in over 450 cities throughout the country and rapidly replacing the commission plan. This form of government calls not only for the election of a small group of councilmen or commissioners in which authority is concentrated, but provides also for the division of administrative and legislative duties—both of which fall to the commission under the Galveston plan—by the appointment of a competent administrator by the council to carry out its legislative enactments.

An efficient form of government, of course, will not render graft impossible, but it will make its practice difficult, its detection more likely. It will not stop incompetency, but it will reveal it. It will not create ability, but it will permit it to be demonstrated. Nor plan, nor system, nor form can ever take the place of that eternal vigil which must ever be kept over the defenses of our cities, that there may come within the gates none whose plan is but to loot and spoil.

NATIONAL MUNICIPAL REVIEW

SEPTEMBER ✢ 1937

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J. T. SALTER

Toledo Forges Ahead Under the Manager Plan

HOWARD P. JONES

A Municipal Auditor-General

LENT D. UPSON

Reintegrating the Security Wage Earner With His Community

OLIVER C. SHORT and EDWARD F. DOW

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National Municipal League

THE LEAGUE'S BUSINESS

Conference on Government.—Where are we heading in unemployment relief? How can we control local public debt of the future? What's next for metropolitan areas? These and many other problems, including public management, will come before the League's forty-third annual conference on government November 18th, 19th, and 20th, at the Hotel Seneca, Rochester, New York.

* * *

New York State Committee.—The League's New York State Committee, of which Professor Rodney L. Mott is chairman and George H. Hallett, Jr., secretary, will hold its state conference on legislation at the time of the League's annual meeting in Rochester, New York, November 18th to 20th. A preliminary meeting, however, was held at Cornell University, Ithaca, on September 1st and 2nd, to help arrange the agenda for the Rochester conference. The work undertaken at the preliminary meeting included (1) the drafting of a preliminary legislative program to be presented at the Rochester conference, (2) the consideration of a constitutional program, and (3) reports on the work which has been done by the special committees on election laws and the state constitution.

* * *

League's Special Committee on New York State Constitutional Convention.—The New York State Committee of the League has recently organized a special committee on the New York State Constitution with S. Howard Evans of the Payne Fund, New York, as chairman and administrative officer. The special committee represents a majority of the colleges, universities, and normal schools throughout the state and a large number of citizens' organizations, including the New York State Division of the American Association of University Women, New York Department of the American Legion, New York Association of Towns, Business and Professional Women's Clubs of New York State, Chamber of Commerce of the State of New York, Jewish Welfare Board, New York State Association of Elementary School Principals, New York State League of Women Voters, New York State School Boards Association, New York State Teachers' Association, and Young Men's and Young Women's Christian Associations of New York State. The committee is planning to conduct a state-wide educational campaign to acquaint large numbers of citizens with the problems of the constitutional convention.

* * *

Baldwin Prize Essay Committee.—Hon. Murray Seasongood, formerly mayor of Cincinnati and a former president of the league; Professor Roscoe C. Martin, director of the Institute of Public Administration at the University of Alabama and head of that university's department of political science; and Howard G. Fishack, executive secretary of the New Jersey Citizens' Advisory Finance Committee, now on leave of absence to direct the research work of the Special 1937 Commission on Taxation and Public Expenditures of the State of Massachusetts recently created by the Massachusetts legislature, have accepted membership on the committee to select the winner of the Baldwin essay contest. This prize, of one hundred dollars, is awarded once a year to the student submitting the best paper on a topic dealing with local government. Announcement of the prize winner is expected to be made within the next two months.

* * *

Former Congressman Hull Dead.—We regret to announce the death, on August 20th, of Hon. Morton Denison Hull of Chicago, for many years a member of the National Municipal League and formerly one of its vice-presidents. Through Mr. Hull's generosity the League some years ago was able to offer a prize of $250, to be known as the Morton Denison Hull Prize, for the best essay on municipal government submitted by a post-graduate student of any college or university in this country offering instruction in municipal government. Mr. Hull was always much interested in politics and civic affairs in his city and state. He was a member of both the lower house and the senate in Illinois prior to his election to Congress in 1923, where he served for ten years.

HOWARD P. JONES, *Secretary*

Editorial Comment
❖
September, 1937

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WPA Down, Local Budgets Up

The budget for parks in New York City shows an increase this year of approximately $3,500,000, due largely to the withdrawal of relief workers from park operation and maintenance. This fact is representative of a serious problem that will be faced by municipalities generally as federal relief assistance is withdrawn.

During the last few years, work relief and WPA operations have in many localities taken over some of the functions normally performed by regular departments of municipal government. No criticism of this policy is implied; important functions of local government in many instances would have suffered even more serious curtailment during the depression than has been the case were it not for their adaptability for work relief. Furthermore, when WPA took over a large slice of essential maintenance activity in one department or another, regular municipal funds went just that much farther in another direction.

This development was, of course, not intended by federal authorities; it could hardly be said to have been a policy of the national government; yet, practically speaking, that was what has happened, to what extent we do not know. It will reveal itself in budget increases as federal aid is withdrawn. The picture is further complicated by the fact that many WPA projects have added substantial improvements to communities. For this there should be only rejoicing. At the same time, neither citizens nor officials should overlook the fact that such projects require maintenance and that another item of expense is thus added to the municipal budget.

There is little doubt that there lies ahead in municipal finance another period of difficult readjustment. A real ray of cheer, however, exists in the general improvement of business and the consequent decrease in unemployment. The federal employment service reports a substantial and continuing decline in the number of registered unemployed. Since the necessity for unemployment relief has been the primary cause of curtailment in municipal operations in other departments than public welfare, it may be hoped that expenditures for public welfare will decrease as expenditures in other departments increase. For this to be brought about even approximately, however, will require a high degree of knowledge, understanding, and coöperation on the part of municipal, state, and federal officials as well as citizens and taxpayers.

Close The Barn Door Now!

One of the most interesting developments on the frontier of government that has taken place in recent years is the establishment of what has come to be popularly referred to as "Incodel"—more precisely, the Interstate Commission on the Delaware River Basin, official agency of the states of Pennsylvania, Delaware, New Jersey, and New York, established to deal with regional problems of the Delaware River basin, such as flood control, municipal water supply, pollution from sewage and industrial waste, erosion, and the collateral question of unifying plans for highway systems, recreational areas, etc. The first objective of the commission has been the abatement and control of water pollution.

This commission, composed of seventeen members representing the legislatures and the administrative departments of the four states, is an official agency whose field of operation transcends state lines. Set up to deal with those problems of the Delaware River basin which lie within the powers reserved to the state by the federal constitution but which are regional in their character, and to harmonize the exercise of these powers with the powers of the federal government, the commission is tackling a pioneer job of no mean importance.

The Council of State Governments encouraged by the National Resources Committee deserves credit for sponsoring the plan in the first instance and demonstrating how effective such an agency could be, prior to the time when legislative appropriations were made available.

Appropriations totaling $30,000 from the four states are now at the command of the commission and it is on its way to demonstrate its ability to function effectively in carrying forward the purposes for which it was created. The future of this commission assumes an importance, however, beyond the problems of the Delaware River basin. It will provide a test as to whether or not interstate agencies of this character can develop unified plans for an undertaking involving a region covering several states and secure the coöperation of the states in putting the plans into effect.

If it succeeds, it may furnish an example to be copied by the states of other sections in dealing with problems of interstate character and if it fails it will strengthen the argument of those who favor greater centralization of power in the federal government in Washington. If the interstate commission on the Delaware River basin is to achieve success, the representatives of the various states making up the commission must place the interest of the region as a whole above the interests of any particular state. They must base their plans and recommendations to the several states upon accurate, factual data and upon the best technical advice and expert opinion that can be secured, and must conduct operations of the commission in such a way as to insure the continuing confidence of the several state governments and their citizens.

Of major importance in insuring that the public interest of the region will take precedence, that plans and recommendations will be based upon sound technical knowledge, and that confidence in the work of the commission will be maintained, is the system which the commission follows in making staff appointments. If the evil hand of the spoils system reaches in and corrupts efficient performance, an enterprise of great potential achievement is doomed.

A moment's consideration will reveal the possibilities of the situation. If the

(Continued on Page 456)

Letters From Men in Action

Voters administer a death blow to Philadelphia's "career politicians"

J. T. SALTER

University of Wisconsin

THE career politicians in Philadelphia until the last election had unswervingly believed in God and the Republican party, but at the last election, and for the first time in the history of the Republican party in Philadelphia, every single one of its candidates for Congress was defeated, and its standard bearer in the presidential contest lost by more than 200,000 votes. Now who knows what to believe? Their sense of dismay and anger could not be greater if some gargantuan Roosevelt had visibly stood at each polling place indefatigably pulling the Democratic lever on each voting machine until the Democratic majorities were everywhere triumphant.

To give a more concrete idea about the way the Philadelphian, and more particularly the Philadelphia ward politician, feels about this last election, I shall quote a few of the revealing letters that came to me after the deluge. The first is from "Famous" Fogarty, a most likable bruiser, who, on November 3rd, was involuntarily detained in the "Big House," but whose letters prove that "stone walls do not a prison make, nor iron bars a cage."

"Still another reason for wishing to give you the low down as far as I am concerned, is that by the time you get this letter the folks over the nation will be marching on the polls to cast their vote, and as I sit here thinking about all the fun I am going to miss, well it grieves me to think of all the fun I am going to miss on next Tuesday, and what a Fight it is going to be getting those folks out, some will have to be paid and some will not, others might have to get hit on the nose, and still others will not, I can just sit here on Tuesday next and say well they are at it, Boy and the money that will be flying around, and when Sevan (7) O'Clock arrives and the polls are suppose to be closed, trying to squeeze some more in the polling place, and the side that thinks they are in the lead trying to keep them out, and the side that feels as though they might need a few more to pull the old Fight out of the fire, well who can say that a feeling like that does not tear at the heart strings, what a play that game is, then when the Day is done, and you can get a few of the other sides Girls and go drink some good Beer and tell the doings of the Day till well into the Wee Hours of the next Wednesday, there is realley no Ill feelings about politics when one stops to think of it, and after all Professor who is hurt by a little Fighting here and there, I believe always in the saying that to the victor belongs the spoils, Monday night going to the Ward headquarters and the Committeemen getting their money, and any last minute orders what to do, then waiting on the fireing line for the day to start and like every other battle, the loser saying well if I had done this or that thing it might have been different."

His next letter, November 8th, gives this paragraph that is packed full of wisdom.

"Take the 36th Ward a Mug like me goes up to the door and says, Well John what are you going to do today, he says why you big stiff what did the Republicans do for me all these Years, I come back and say what has the Democrats done for you, and I don't know John is on relief, he says this you big bum, and flash a relief check, says it is small, it is better than the Two, Three or evan Five that the Republicans give him on Election Day, and more so with a Ward leader as supposely rich as Eddie Prince is, and with no one to take you to him to talk to, then said John turns on his Radio and hears Roosevelt on the Air, then if he is Lucky goes to the Movies, and flash Roosevelts face is on the screen and who human could turn him down, Yes Professor it is the human touch that did it, and the dislike for the leadership of Eddie Prince and that golden personality of Jim Rollins who is the Democrat boss of the 36th. Ward, Jim was one of my Lawyers in my trial, and I know the man as good as any one down town, and I mean he can win Votes, as he beat a real old Organation man in Billy Wilson, who was Director of Public Safety under former Mayor Smith."

The fact that "Famous" is in stir just now enables him to view political matters with an objectivity denied to those on the firing line—men like Handsome Dave Nelson, a colored division leader. Here follows his account of the fatal day. (His letter was written in ink and each letter is a capital and a period follows each word.)

"YOUR. LETTER. RECEIVED. AND. I. AM. SORRY. TO SAY. THAT. I. LOST. BY. 3 VOTES FIRST. TIME. IN 20 YEARS. MY FRIENDS. DOUBLE CROSSED ME. THEY. TAKEN. MY. MONEY. AND. VOTED. THE OTHER. WAY. THAT WAS. DONE. ALL THROUGH THE CITY. IN THE. REGISTRATION. I. WAS. LEADING BY. 200. VOTES. A GOOD. MANY. OF. THE VOTERS REGISTERED. THAT WAY TO. FOOL. ME. WE LOST THE WARD. BY 5000 MAJORITY. I. DITINT. DO BAD. CONSIDERING WHAT. HAPPENED. ALL AROUND ME. MOST OF THE DIVISIONS. WAS. LOST. BY. 150. TO 300. VOTES. BUT. I AM STILL A. REPUBLICAN. MR. SALTER. I WISH. YOU WOULD. PLEASE. SEND ME. ONE OF. THE BOOKS. I REMAIN. Yours P. S. HOPE YOU ARE ENJOYING THE. BEST. OF. HEALTH"

A SLIGHT EXAGGERATION

Tom Cole's letter that comes next is from a division leader who for nearly a half century had served Vare and (presumably) the Lord. However, Vare's check-ups came as regularly as the elections, and he would not take excuses. The Lord is more tolerant of weakness and Mr. Cole has at least one weakness. In factual matters he sometimes deals in imaginary facts. For instance in the last election, he lost his division by more than two hundred votes, but note what he says below.

"Friend your letter received was much pleased to here from you. I ask your friend Jim Terral about you very often in reference of my experience in the last election I found that past favors was for-gotten in many cases. As when people can get something for nothing then they forget all you have did for them. The Roosevelt Administration by useing Relief and P. W. A. for Political success they have ruined the high standard of the Nation. I was very much surprised in the defeat of Gov. Landon as I thought 70 percent of the Peple of this Country did belive in God and Constitution of U. S. A. but according to the vote they do not. Humanity is weak when tempted if you can get money without working for it 90 percent will take it that way. But it is only history repeating it as you read in the Holy Bible in the 2nd Book of Kings you will read how the People and the Church Hebrews left God for Sin Self and something for nothing. But they paid the price of Sin at that time the wages of Sin is Death. And when God called Elize to challance the Gods of Baal, they lost all, and if this nation does not return unto God we will pay the price of Sin also and coming back to my experience last election I was surprised how people could be so ungrateful to one who had served them for 40 years. Lots of my voters forgot all I ever did for them. I only came through with eleven votes to the good very small vote to win by. But my Judgement of the results of the past election is the Nation is turning from God and Brotherhood of man Hopeing you and all Professors of Colleges will teach Gods Will Honesty and good will to all men unto your students in closeing wishing you success and God's blessing and good luck

from Friend"

COUNTY DETECTIVE AND WARD MAN

The next letter is from a particularly fine young American-born Italian, whom I have named Tony Nicollo. (His sketch first appeared in the *Yale Review*, and he told me after having read it there, that his wife liked that name better than his own.) He is a detective for the county, and a detail man for the ward leader, as well as a successful leader of a division.

"I am writing you now because it's all over and really I want you to believe me, I did not have a chance to write you sooner, as I was very busy and was on the go all the time, hardly getting time to eat.

"Of course you know what happened, the entire Ward went democratic, so did the district and so did the City. Now to give you a picture of my own division. Starting in August it was very evident that we were going to have a hard time to put the division over, so I at that early date called a meeting of all my job holders, and active workers, at my house, and I talked to them and tried to impress them as to the importance of this election. Well the general feeling at that time was that Tony Nicollo could not lose. So after some good hard work, the Registration came along, and those three days were as hard as any election day in the past, but we came across in the 3 days with 627 Republicans and 228 Democrats, while most divisions all around us were losing even in Registration. This large majority in Registration looked so big to the people in our division that I was being called the Mussolini of the Division. Everybody wondered how I could roll up this registration in this section of the City, and therefore my name was being mentioned all over our Ward by Democrats and Republicans both. Special efforts were being made in my division, speeches made every night on some corner in my division, W. P. A. jobs were being given out by the score, and then to top everything the Labor Unions take their stand for Roosevelt and they and they alone licked me in my division, because they sent for every tailor, operator —women in the Union shops and told them not to go vote unless some one from the Union came for them and if not they would lose their jobs, naturally a great fear came over these poor unfortunate people, who knew no better, so went along regardless of what I would assure them and voted the straight Democratic Ticket. I knew before the day arrived that there was a chance of me losing and when everybody else was saying that it was impossible I told them all they would be surprised. . . When the Machines were opened the vote showed 409 Democrats and 358 Republicans, losing the division by 51 votes. But it was the best showing in the entire Ward, because everybody else lost by 3 to 400 and some 5 to 600 votes, but of course I did not know this until later that evening. But I just took it with a smile, congratulated the winners, who were stunned and could not believe what had happened. The people outside by the hundreds got the news, and many started to cry and the general talk was its a shame for Tony, he did not deserve this, we didn't care if Roosevelt would win, but we wanted Tony to carry his division. . . . So your Tony Nicollo was toppled and your fine thoughts of me, blown out of the window. I just want to add this one little favor done by me for one of my voters, and then I will close.

THE COMMITTEEMAN TO THE RESCUE

"On Wednesday evening October 28 I came home after a busy day about 6 P. M. and at my home were two small girls one about 13 years and the other about 15 years old, they were in tears, and my wife soon as I got in said, Tony, they want to know if you will give their mother blood as she is in the hospital, and in need of an operation, so I did not eat but went right out to the hospital, and after the pricking of my finger, the blood was the right type, so they took the blood from my arm. This woman is living now up to this writing. This was a new experience for me and I was sick for a few days, and a new experience for a committeeman. I wonder what a Committeeman will have to do next."

A few weeks later I received another letter from Tony which ended with the paragraph that I am quoting:

"Before closing I want to say that things are getting tough here in Philly as far as Politics go, because favors are getting harder to do, due of coarse to the very active organization of the Democrats, and the reason of a good many of them having jobs now that were under Republican control. They have a good number of magistrates who serve their Committeemen just like ours did, in fact better, some of our fellows are too old and independent and won't do anything while the young men on the other side will stop at nothing so you can see what we are up against. Well until a later date, when I will write you again, I am very respectfully . . . I have a letter from the Big House so I am enclosing it."

The letter from the Philadelphia County Prison to which he refers follows:

"Dear Tony:

"I am writing this letter to ask of you a favor. You know Tony you have known me for quite a few years, and you also knowing my father, he has always voted in your district and helped you out when ever he could. I have never troubled you before in any way, but my father at the present time is in poor health and he needs me at home.

"I have beenhere now 21 months out of a 2 year sentence, leaving me with only three months to do. If you recall I got in trouble with that bum and was sent here because I refused to marry her. So I am going to ask you to intercede with Judge ——— in my behalf to secure my parole at this time. Tony the reason I am asking this of you for this reason, I know your position at the hall, and it will not inconvenience you in any way, and I also know that with your assistance and support it will be easy for me. I have not committed any criminal offense, and this is my first conviction, which should make it very easy for you to make the Judge see that as long as I will have 13 years parole to do that these 3 months would not make any difference. And in view of the type of girl they wanted me to marry, I have been sufficiently punished. . . .

"Will be looking foreward to your favorable reply, so I will close hoping you and your family enjoy a Merry Xmas and a Happy New Year, I am

Picco Tonetti,

P.S. Willie told me to send you his regards."

THE FEMININE TOUCH

Rosie Popovits, although not yet forty, according to the calendar, is already a veteran in ward politics with an unerring eye for details and trifles whose cumulative weight always—save in 1936—bring success at the ballot box. A few years ago her rivals argued that a woman's place is the home but Rosie said, "Brother, I am staying at City Hall same as you would like to be. My people need me, but when did you ever carry a division?" Rosie's ward leader says that she is the best man on the ward committee. Her letter follows:

"Regret that I have not already answered the letter received from you, but have extremely busy and DISGUSTED with outcome of ELECTION, hence the delay.

"For the first time in the history of our Division we have lost by 2 to 1. The reason was that the Roosevelt sentiment was so strong, and the fear of loss of their Welfare orders being taken away from them, caused the poor people, in our immediate neighborhood, where there are many poor—*also many chiselers,* to fall into the Roosevelt Camp.

"As you know ———— got to be elected Congressman and he also done everything he could to place jobs in my division in order to break the morale down, more so in my division than anywhere else—because of the fact that it was a stronghold division. The people's alibi was that this campaign would not have meant anything to me because it was Presidential election. They did not stop to realize the seriousness of this campaign—that it meant more to me at the present time than at any other time, on account of my position with the Court and the Courts being supported by the legislators—all of which we have lost, and it may ultimately mean the loss of my job. After plugging for so many years, and helping to assist in sending my children through school, and with my son graduating from high school this June (and you know what that means), I still hope and have enough confidence in the Republication Organization and Republicanism all over United States, that good American people who have truth in their hearts—will COME BACK.

"My opinion is that any American citizen, who is a true citizen should be nothing but a Republican, as I have observed from my experience, and during my years as a Republican, they have done much more and have been more true to their people than the New Deal Party who are in power at the present time."

The next letter was written by one who is an honor man from a great university, a successful lawyer, a job holder, and a leader in what approaches the status of a silk stocking district.

"I know I owe you an explanation for not having written during the fall. However, the situation was such that I was almost afraid to write for fear that you would consider me a pessimist.

You will remember that before the last municipal election I predicted a Democratic victory. At that time people were in somewhat the same frame of mind, but the religious issue proved stronger than all the other issues and Kelly was defeated. However, this fall, there was no such issue. In addition we had the tremendous personal popularity of the President to contend with. I could see early in the campaign what was coming, but I certainly did not expect the majority to go as high as it did. I thought it would be the Democrats by twenty-five to fifty thousand tops. I hesitated to write about this for fear that you would consider that I was nothing but a poor guesser since this would have been the second wrong guess (if Landon had been elected). . . .

AN APPEAL TO THE INTELLIGENT

"With regard to the circulation of hand bills or circulars, I might say that the literature that was used in our ward, especially in our section, dealt chiefly with the increase in price of food, and to combat the particularly strong feeling in our district much literature was used in connection with breaking down the prejudice of our people against the Republican candidate by reason of his strong endorsement by Hearst. The people of our group are distinctly intelligent and they turned almost to a man against the Republican policy of ridiculing Roosevelt by holding up as Communists such advisers as Frankfurter, Hillman, etc. This policy of the party was aimed to get votes in certain backwoods sections of the country where the prejudice against us could be fanned into votes for Landon by reason of the so-called advisers of the President being members of our group. The result was such an overwhelming repudiation of the Republican party in our section that I have never seen the like of it, and hope never to see it again. In a normal Republican district of 9,000 votes Landon was able to get only 1300, a little over 7700 going to Roosevelt. I might say that as soon as I sensed the sentiment I considered it advisable to go easy in my efforts to push the candidacy of Landon and concentrated on the local ticket. In this I was successful to a degree, having a difference of nearly 500 votes in favor of the local candidates over the head of the ticket. Nevertheless I was not able to carry them because people were still afraid to split their vote on the machine. (There were 1409 registered voters in my division)."

The next letter is from Jim Terral. Jim graduated from a second rate university without ever permitting that experience to change his standard of moral values. A few years ago he was arrested for ballot-box stuffing. He remarked to me, "It's funny that the first time my picture appeared on the front page of a Philadelphia paper, I am under arrest, but," he added, "the 'judge' said he would get me out." And he did. Jim is wiry and quick like a fox terrier. He is prepared to do what it takes to win, but in this election he found that the party of Roosevelt held every trump card.

"For weeks I have been trying to arouse myself into a proper writing mood. For no reason I do not relish re-living and re-exciting myself in the depicting of what I have experienced these last months.

"As the Campaign was getting under way, I was planning my retirement, in the near future, from the political sphere. Enraged by the continual turmoil, by the incessant demands of my time, by the ungratefulness of those whom I have served and who never appeared satisfied, I yearned and planned for peace and quiet. I say this was my feeling as the Campaign was getting started. But this proved to be only a 'let-down' to a politician in the real meaning of the word. I look upon politics as the greatest of all human endeavors, for it combines every phase of man's activity; war, school, discipline, admiration, colorfulness, etc. When one takes in this meaning of the game, he resolves to look eagerly forward to an election and stomach incidents whether pleasing or not.

"My 'slumber' ended when I was privileged to sit on the same platform with Al Smith when the Happy Warrior spoke at the Metropolitan Opera House here in Phila. So thrilled was I listening to this orator, so intensely did I watch his gesticulations and mannerisms, and so throbbed was I over the excitement and glamour of the crowds, that I felt I was ready to go on the same stump and speak extemporaneously. A few weeks later, again on the same stage I sat, to be referred to as one of the 'distinguished guests' by the peer of pure English orators—Bainbridge Colby. But it was solely to Al Smith's stimulus that I became ready for the hectic battle in which I adopted Al's own thunderings of his delivery.

"Our division and ward went like the rest of the city, state, and nation. We on the waterfront, with its full population of the foreign-born element, had the severest battle, for we had absolutely nothing to sell and had to fight the 'black-jacking' of voters by labor unions. Even those points which you stress in your 'Boss Rule'—favors, services, obligations, etc., meant nothing. The Debacle just washed away your Tony Nicolos, Handsome Daves, Rosie Popovitzs, etc. One might even be tempted to say, 'Burn up that book; it means absolutely nothing today.' I for one am on a raging, raving, ranting spell. When I think of how I got my father to go bail free for those in trouble, of how I worried nights planning to set the works favorably on the next morning's hearings, of how I spent money liberally, I just can't help cursing in the foulest language at the ingratitude of these people.

"I got licked for the first time in ten years. Money was no question—I had plenty and I was even prepared to spend hundreds of my own in order to keep my record unbeaten. But this was one election in which money was no aid. In fact I had plenty left over from headquarters and didn't even touch one penny of my own. Most in our division regarded their vote for Roosevelt as a sacred thing. In a calmer light, I have no quarrel with these. But I should have gotten over a hundred split tickets instead of only 36, especially when my own office, The Auditor-General, was on the ticket. So determined were the people, that some of those whom I thought were very obligated to me wouldn't even *look* at me as they came into the polls! You didn't need any door-bell ringers, for the voters came out early in droves. This fact, alone, is usually a bad sign to the politician. When you have to pull 'em out, you can feel sure of favorable results.

EVEN MONEY FAILED TO PERSUADE

"I can't understand why my colored voters couldn't be bought, omit the favors they have received. Understand, to get the money, they would have to ask for my aid in the voting machine. Why they were scared in asking this assistance is beyond me. Of course, I know they received letters through the mail warning them this is a federal election and the federal jails were jawning for them on any violations of this assistance law. But still more surprising was they knew where the *second* (Democratic) lever was, and *pulled that one.* I suppose the reason is, as Al Smith once said, 'no one shoots Santa Claus.' They believed they were protecting their relief and W. P. A. jobs.

"I'll be out of public office soon. But more firmly have I resolved to stay in politics. I enjoyed the bitter fight, even though I am 'mad' at the treatment I received from my people. I would be of no aid to the Democratic Party if I switched immediately, for people would lose respect for the quick turncoat. Rather, I'll be a strong minority man and keep a constant watch on the majority. The Democratic Party did not need committeemen in this last election—they only needed honest watchers to prevent our stealing.

"I could go on and discuss how I didn't like the way in which the campaign was conducted. It seemed to me to be based on solely fooling the people, especially those circulars on social security which, on first glance, appeared to be issued by Washington, D. C. I'll just close by saying that some of the men who were swept into office on the Roosevelt wave are a disgrace to democratic government. Able men were beaten by bootblacks, shysters, etc., some of whom can't read or write and some of whom can't speak English without an interpreter!"

One politician whose rank exceeds that of some ward leaders knows that I am interested in concrete details. His letter supports the tenor of those letters that I have quoted, and in addition he adds, "In so far as the money is concerned, each division in my district received $200. The City Committee contributed $100 and the ward leader, or his 'angel' put up the balance. In addition, each division had a fund which was made up of contributions from the Committeemen [i.e., division leaders] and in rare instances from 'active' workers. Each division in wards of my district had not less than $400 of Republican money. The question now is, what was done with the cash. The vote shows that not all of it was spent."

The foregoing letters indicate much about the feelings and attitudes of the Republican men and women in Philadelphia politics who meet the voters face to face throughout the year and capture the majorities on election day. They have invariably done this in the past, but now they are wondering if they will ever do it again. They are the sales force of the Republican party in one restricted area, and they are beginning to wonder if they are trying to market a white elephant. They would also like to know if their product can be improved enough so that it will satisfy the public's taste, or would it be better to devote their time, energy, and friends to selling a more popular brand. They find that they were defeated by a force over which they were powerless to contend. They have always said that the people have the votes. Now they know it.

They can't quite see yet, but they will see in time, that the change has been in their opposition and in the fundamental conditions of life under which people live and satisfy their needs rather than in mere individuals acting independently of the times. In the old days Tony could always carry his division against X, the Democrat, because the people liked Tony and did not know X. Now this Democratic opponent X is not only someone that they think they know and see and feel, but he is someone that means something substantial and concrete. And he means it here and now. To the unemployed he means steady work and regular pay; to the destitute he means relief; to labor he means shorter hours and more pay; to people generally he means improved business conditions. The people are

(Continued on Page 456)

Toledo Forges Ahead Under the Manager Plan

Proposal to substitute twenty-one-man council selected by wards would emasculate present model form; goes to vote September 21st

HOWARD P. JONES *Secretary, National Municipal League*

If you lived in a city where

(1) you were enjoying the lowest property tax in sixteen years yet

(2) the city was living within its income and at the same time

(3) was retiring large amounts of outstanding debt while nevertheless

(4) municipal services were being continually expanded and improved, wouldn't you be fairly well satisfied with the way things were being run?

There is such a city—it is Toledo, Ohio, where despite its brilliant record the city manager plan seems subject to repeated attacks. The present manager charter was adopted in November 1934 with a vote of 33,229 for and 28,014 against. One move to repeal it, presented to the voters before the new charter went into effect on January 1, 1936, was rejected emphatically by 27,627 to 18,338. And now comes another repealer, slightly masked, in the form of a charter amendment which would substitute a twenty-one-man council selected by wards for the present nine-man council chosen by proportional representation. Toledo will vote on this proposition at a special election September 21st.

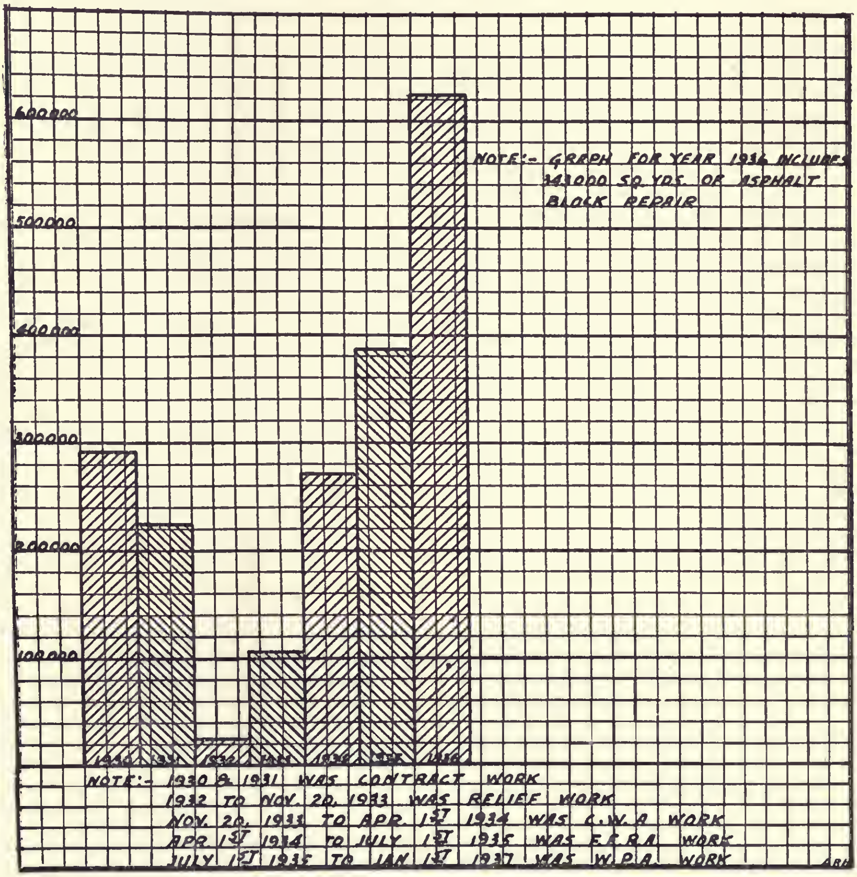
Even a cursory survey of the situation in Toledo reveals the tremendous strides that have been made under the new form of government. When City Manager John Edy took office January 1, 1936, he found a city saddled with a huge burden of debt in a financial crisis that threatened to reach the default stage at any moment. The politicians running the city apparently were unwilling or unable to make the necessary adjustments in the direction of efficiency and economy and plan a fiscal program that would bring order out of chaos. In desperation, citizens turned to the remedy that had long been suggested by leading civic groups in Toledo—the city manager plan.

Today Toledo has a tax rate of $20 per $1,000 of assessed valuation— lowest in sixteen years and the lowest of six of Ohio's large cities. Today Toledo pays cash and operates within its income. Today Toledo municipal bonds sell *at the lowest rate in the city's history* and the net bonded indebtedness was reduced by more than $2,000,000 in the first year of manager government. Today Toledo's street division owns its own trucks instead of renting them, thus saving enough money in the last four months of 1936 to restore basic salaries for all street employees. Today *more* work is being accomplished and *more* services are being rendered the people of Toledo for the money spent.

In 1936, 600,000 square yards of paving were laid as compared with 300,000 in 1935; 41,043 square yards of brick pavement were repaired in 1936 as compared with 11,948 square yards in 1935; 53,226 square yards of bitumin-

TOLEDO, OHIO

Comparative Amounts of Paving in Square Yards Laid or Relaid from January 1, 1930, to January 1, 1937



ous paving were repaired in 1936 as compared with 34,138 square yards in 1935; three times as many lineal feet of curb were repaired, three hundred more miles of streets were graded, and more than three thousand feet of ditches (uncleaned in 1935) were cleaned in 1936—yet costs were slashed $77,000.

That much of the new construction work was done in coöperation with WPA does not alter the important fact that sound city management found the money to finance the city's share and responsive public policy made it available for the purpose.

The unbusiness-like custom of repairing obsolete, worn-out equipment was halted. The health department was reorganized and improved and important steps were taken to better protect the community from plagues and epidemics. Extensive improvements in the water system were begun.

MERIT SYSTEM INTRODUCED

When City Manager Edy went to Toledo, with a fine record of accomplishment in other cities, he adopted a sound and just personnel program for all city employees, removed political interference from the operation of all departments of the city government including the police and fire division, and declined to pass out the usual political plums. For example, he appointed the technically trained manager of the filtration plant as commissioner of water, chose an experienced man from the city engineering department for commissioner of streets, named a bridge engineer as commissioner of bridges, picked one of Ohio's foremost tax authorities for director of law, and, for director of public service, appointed a career man trained for the work by twenty-five years in responsible positions. He secured a highly qualified purchasing agent by competitive examination.

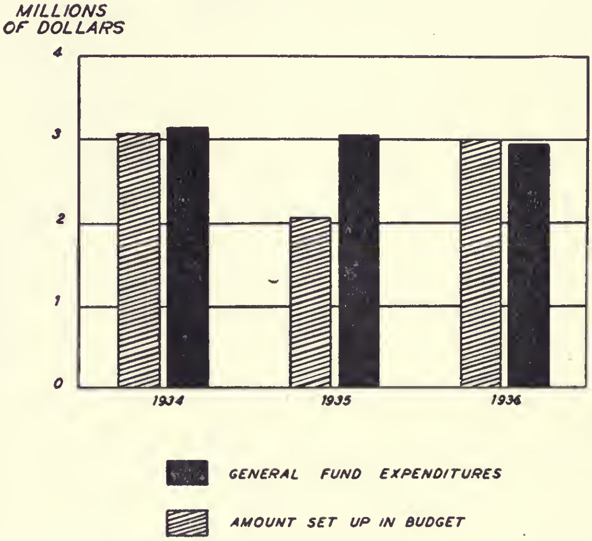
Instead of following the custom of naming a citizen mostly trained in politics to the post of safety director, he left these vital duties in the hands of chiefs who knew their jobs, appointing no "director" at all.

While those who have been accustomed to seeing political acumen rewarded by fat jobs like these weren't exactly pleased, to put it mildly, the employees in the classified service are no longer afraid of their jobs. City Manager Edy has not fired a single one of them who did his work properly and observed charter regulations.

The example of splendid coöperation set by the small, efficient council chosen by proportional representation should, an impartial observer would assume, stay the hands of those who would destroy what has been accomplished in the short time the plan has been in operation. The lack of prejudice and special interest is amply demonstrated by the fact that, with the exception of a mere handful, ordinances proposed had the unanimous support of the council. That the council trusted the administrative arm of the government is shown by the passage of every important piece of legislation requested by that branch.

The P. R. council has functioned as a body rather than as a group of representatives of separate interests. It has served all the people of the city, hearing all persons who had matters to present for consideration. Its meetings have been open and above the table—so open, in fact, that citizens frequently sit around the committee table and in the presence of the press talk out their problems.

TOLEDO, OHIO
Comparison of General Fund Expenditures With General Fund Budgets 1934 to 1936



Both the council and the manager have won the confidence of leaders of organized labor.

Why then the movement for change? Who is behind it?

Both questions seem to be difficult to answer. The movement has as its nominal leader Mrs. Josephine Guitteau,

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A Municipal Auditor-General

A new method of financial control for local governments as adopted in Detroit

LENT D. UPSON *Director, Detroit Bureau of Governmental Research*

BY WAY OF PREFACE: This not unusual story of the stealing of public funds is of interest as an object lesson in what happens when the several fiscal branches of a government become intimate. The recital of the experimental measures taken to prevent a recurrence may be of value as pointing to a new and useful development in municipal government.

DETROIT is accustomed to good city government. Its political history is not a serial with chapter headings of graft, more graft, bosses, ward heelers, political intrigue, turn the rascals out, and abortive reform. In many ways Detroit has progressed farther along the road to a good city government controlled by the people than have most other cities—no political parties, no political machines, a judiciary independent of party control, effective civil service, and many of the other "ideals" which have been urged as the milestones to effective, efficient government.

So, its citizenry was somewhat disturbed when it awoke on one April morning in 1936 to learn that the assistant budget director of the city had shot himself just as the police were seeking to question him concerning a diversion of funds which had come to light a day earlier. Detroit had experienced petty diversions in the past and one or two major ones had occurred with welfare funds during the hectic relief-giving of the depression. But this instance involving the assistant budget director was the first serious defalcation in a department operating with well established financial controls.

The major portion of the diversion, approximately $200,000, resulted from the manipulation of an inactive bank account covering a fund for teachers' pensions. The procedure with such funds was to issue no specific checks against them. When the funds were to be disbursed a transfer warrant was issued by the controller and countersigned by the treasurer, authorizing the placement of these moneys in the general fund against which checks were drawn. But in this case the assistant budget director forged the signature of the controller and with the connivance of a bank official cashed checks personally without the signature of the treasurer. This bank official was later tried and convicted of his part in the affair. The diversions were covered up for a time as the assistant budget director personally picked up the bank statements, made the necessary changes, and sent them to the treasurer's office for checking against the book balance.

And there was the usual series of coincidences that made the defalcation possible—the board of education drew no pension moneys so the shortage did not appear; the treasurer, taking office, did not check the amount of cash in the bank as indicated by the controller's statement; a corrupt bank officer permitted withdrawals in an unorthodox manner; the bank statements should have gone directly to the treasurer rather than to him through a subordinate of the controller. There is no procedural cure for dishonesty, but this particular offense was facilitated by a "family feeling" that had grown up over a period of years between the treasurer's and the controller's offices.

In the Detroit system of financial controls, a controller appointed by the mayor without approval of the council and holding office for only brief periods is of first importance. This official is responsible for several important and really unrelated functions—financial planning, which has been so important in the rapidly growing city of Detroit as to occupy the major attention of all recent controllers; bookkeeping, i.e., recording or supervising the recording of all financial transactions of the city; preparation of the budget; and the audit of revenue collections and disbursements. The treasurer, elected by the people, is technically a custodial officer only, receiving and disbursing funds, including taxes, only upon warrant of the controller.

In view of public indignation reflected in extensive newspaper comment, the city council proposed an independent audit to be accompanied by recommendations for improvement in the city's financial procedure, and in which no agency of government would participate. Accordingly, there was appointed an audit committee of five citizens no one of whom was affiliated with the political side of the city's government. The membership of this committee assured the public that the investigation would be honestly and effectively undertaken and council placed full responsibility for the investigation in its hands.

The committee secured the services of six national accounting firms, each to undertake a check audit of specific departments. They were instructed not only to audit but to make recommendations for bettering the financial procedure. The auditors found other small diversions, all in connection with the handling of petty cash and departmental collections which are admittedly difficult to control. They uniformly reported that the accounting procedure in general lagged behind best commercial practices, a common occurrence among municipalities.

In casting about for a method to prevent a recurrence of such diversions and to give a more secure control of the city's finances, the committee arrived at certain basic conclusions:

> 1. The treasurer as a custodial officer cannot pass upon the authenticity of financial transactions authorized by the controller without presumably exceeding his authority and creating friction between the two offices.
> 2. The duties of the controller with respect to financial planning, both current and capital, are so compelling as to force neglect of supervision of the routines of the office.
> 3. Although the bookkeeping function (with preaudit) is properly allocated to the controller's office, the postaudit of such transactions should be undertaken by an independent authority—otherwise the controller audits himself.

Inquiry among other cities indicated that several devices were employed to secure an audit of financial transactions independently of the bookkeeping and custodial functions, thus providing a three-way check—and that none of the devices had proved entirely satisfactory. Among these were:

> 1. The election of a city auditor who was also bookkeeper, and who exercised a preaudit over the fiscal transactions of the treasurer and the several departments. This procedure is defective in that it adds an elective position to the ballot, but more important, takes the bookkeeping function from administrative officers who need this aid.

2. The employment of professional independent accountants to conduct periodic audits. This device provides for an audit long after the fact; carries no sanctions by which any accompanying recommendations can be enforced.

3. An audit by a state officer—frequently perfunctory, political, and inimical to home rule.

The federal government utilizes a centralized control of audits in the office of the comptroller-general, which official is appointed for a fifteen-year term, without possibility of reappointment, and who audits all federal financial transactions. Bookkeeping and custodian functions are centralized in the treasury and there is reputedly some duplication of services between this department and the office of the comptroller-general.

The committee believed it possible to set up a somewhat similar plan of financial control which would segregate the functions of custody, bookkeeping, and audit to the improvement of each. This plan was submitted to the council as a charter amendment and by council to the vote of the people. It provided for an auditor-general, appointed by a two-thirds vote of the council for a ten-year term, without the possibility of reappointment. The amendment purposely made it difficult to remove this official making it possible to conduct his office with freedom from political expediency. The duties of the office are:

1. To audit all financial transactions of the city at least annually.
2. To report the results of each departmental audit with copies to the council and the mayor.
3. To make recommendations for improving financial procedures which, if not accepted by the controller and treasurer, must be reported to the mayor and council for action.
4. Upon request of the mayor or council, to make an investigation of any city department—an audit of operations.
5. At least once each five years, to have a financial check audit made by an outside firm of public accounts.
6. To give to the controller all information in his possession to help with the preparation of the budget.
7. Upon request of the board of education, to undertake similar services for that semi-independent unit of government.

The amendment is short, outlining only the essential functions, so as to permit a development of the plan as experience suggests.

The appointment of the auditor-general by the council is in contradiction to the usual method of appointment in Detroit. Under the present charter the mayor, city clerk, and the treasurer are elected, but all other administrative officials are appointed solely by the mayor, or by a board whose members are appointed by the mayor. The council takes no part in appointments, either by charter or by tradition, and it has adopted a strict "hands-off" policy in such matters. All but important administrative officers—the labor group and employees within so-called state functions administered locally—are appointed by a well regulated civil service.

The theory underlying the responsibility of the auditor-general to the council is that auditing is not an administrative but a legislative function. It is council which should at all times check on the thoroughness with which its authorized financial policies have been carried out. The bookkeeping function continues to serve the mayor and his administrative staff in an informative way and as a current check necessary to protect the administration.

The plan for an auditor-general in Detroit is not to create an entirely new office. The staff will be taken from existing auditing services of the city. Thus, the plan does not create a new department of government, but separates functions already existing and accents their importance to council.

The auditor-general is clearly made responsible for adequate accounting, records, and procedures. He is likewise charged with reporting to the council as to legality of expenditures and possible diversions. By implication he must pass on matters of even greater importance than minor peculations—he must say whether the charter, state statutes, and contracts are being honored in the allocation of sinking funds, pension funds, and similar budgetary items. The audit by outside auditors, at least each five years, although not a thorough audit, as this was considered too expensive for a city of Detroit's size, will verify the cash position and check the fund balance sheets which will be forthcoming under the accrual accounting system now being installed.

Some criticism has arisen with respect to the federal comptroller-general because of his assumption of a preauditing function which gives him a control over operating departments. The Detroit amendment is silent on this point—it is assumed that the functions of the auditor-general will be mostly postaudit, but there is nothing to prevent a preaudit if it is thought essential. In any event, preaudit would not be serious to city government contained within a small area.

The only objection made to the plan was that the auditor-general in time would be just another office with the same "family feeling" which permitted the diversion under discussion. This may be true, but on the other hand, the conditions will not be the same. The auditor-general is responsible for auditing and no other function. If a diversion occurs due to faulty procedure, he alone will be responsible. Also, the auditor-general should be independent of political devices, since he cannot be removed under normal conditions and cannot be reappointed. And finally, the auditor-general is responsible to a council elected each two years. To protect himself, he must make reports on the conditions he discovers with recommendations for correction. If council refuses to act, and diversions do occur, it will be a serious charge against its membership and not a responsibility of the auditor-general.

Whether the plan will correct the difficulties of municipal auditing, and whether it will be as satisfactory as in commercial practice, remains to be seen. It is a new idea in the control of municipal finances, a function which admittedly has not been satisfactorily performed in the past. The essence of the plan has worked in the federal government, and the principle of centralization of responsibility has worked wherever applied.

Editor's Note:—Dr. Upson, author of this article, was chairman of the Citizens' Committee in charge of the audits mentioned above and was the originator of the suggestion for an auditor-general for Detroit which was finally adopted by the committee.

CHALLENGE TO DEMOCRACY

Outstanding governmental authorities and civic leaders will attend the National Municipal League's forty-third annual conference on government to cope with problems which must be solved if democracy is to prove its case against the various "isms" which are rampant today. Unemployment relief, municipal debt, public management, and other questions will be discussed.

Hotel Seneca, Rochester, New York November 18th, 19th, and 20th

Reintegrating the Security Wage Earner With His Community

A suggested program of rehabilitation which aims to help not only the unemployed but the whole community

OLIVER C. SHORT — *Bureau of the Census*
EDWARD F. DOW — *University of Maine*

THE disintegrating effects of a depression upon our social mores are so well known as to warrant widespread study of causes and results, yet too little analysis has been devoted to the production of solutions to the manifold problems created. Sociologists, welfare workers, and a scattering of others have shown a real concern born of appreciation of the national tragedy involved, but our local government officials have been, let us say, too preoccupied with other matters to give much attention to the task of community reintegration.

We do not pretend that the program to be outlined is strikingly new or revolutionary: we claim only that it has been tried and appears to work.[1] It aims to help the whole community, not merely the unemployed, and depends for its success on an appeal to those old-fashioned homespun virtues of thrift, self-reliance, and community pride which are undermined by unemployment and destroyed by intermittent or unbalanced relief programs.

Stated in its simplest terms, the problem is to help the unemployed re-establish the community ties and contacts of a social and business nature which have been broken by economic distress. The family which, once upon a time, paid its bills promptly, purchased adequate medical care, and gave reasonable attention to cultural and recreational activities, has become a stranger in its home town with mounting debts and deepening discouragement and self-pity. If it moves to a new community it is no better off, for lack of funds and credit follow like vultures. To those hardened citizens who believe that we have completed our duty when we sustain the breath of life in our unfortunates, who fail to realize that self-interest alone should require a different attitude, our suggestions will not appeal: we venture to submit an outline program in the belief that the prospect of a continuing large-scale relief problem will force increasing attention on the life of the unemployed and his family outside of the work relief project. For our own sake, and for the local and national well-being, as well as for the sake of the relief client, let us help him to lead a normal, well rounded life.

SUGGESTED PROGRAM

Administration. The most logical person to begin the program is the head of the local relief administration, or the director of any important relief project. Sometimes he will be a local official, at other times a state or federal employee. In any case he must first of all explain the objectives of his plan to local authorities and secure their complete coöperation, which is essential to success. Mayors and city managers would do well to offer their coöperation, or serve as coördinators or liaison officers among the various relief agencies and projects, especially where there are several relief authorities with conflicting or overlapping jurisdictions. A small amount of judicious stimulation and encouragement might start the ball rolling among the local administrators, where they are reluctant to initiate measures or unaware of the possibilities.

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[1] It was used on the census card index project (St. Louis, 1935-1937), and the census of business (Philadelphia, 1935-1937).

Restoring credit. Tradesmen hesitate to do business with former customers who have incurred debts which the proprietor sees no hope of collecting. Of course he will sell, on a cash basis, but even if he displays no rancor, the debtor has a natural reluctance to buy where he has received generous treatment which he cannot reciprocate. Hence he goes out of his way to avoid those whose friendly services provided him with clothing, fuel, food, and other staples, and granted him long-term credit on easy terms, and to whose well-being the debtor has previously contributed. Now when he needs coal or other items involving a considerable cash outlay, he is forced to ask for supplementary relief unless he can save a few dollars from his relief checks soon enough to buy the fuel when needed.

THE ADMINISTRATOR AS A MEDIATOR

Here is where the administrator may offer his services as mediator with a fair prospect of success. The tradesman is more inclined to listen to an official spokesman than to the relief recipient. The administrator should reach a definite understanding with the project workers on all such matters before he agrees to use his good offices, and will refuse to assist a man whose past record shows that he does not keep faith and would not be a good risk. Let us take up once more the purchase of coal for illustrative purposes. We will assume that a work relief project starts in the autumn, at a time when the majority of workers need to buy coal. They have no funds, therefore cannot pay cash. The administrator first canvasses the situation, contacts reliable dealers in the vicinity, and has the purchasers pledge to make small payments weekly or at pay periods until their fuel bills are paid. If they have unpaid bills, similar arrangements may be made to liquidate the debts. It should of course be admitted that the ability of the worker to keep his head above water and at the same time pay off earlier commitments is dependent on a maintained work relief program at a living wage, or reabsorption in a decent job in private business.

Even under the most favorable conditions, the liquidation of old debts is a long-drawn process. Frequently it will be found that the proprietor of the business is so glad to welcome back his customer on a cash basis that he will grant terms so favorable as to amount to reduction, or even cancellation of the old indebtedness. When the creditors remain unmoved, or bring suit to recover on old debts, the administrator may well advance small loans to worthy employees from a loan or welfare fund established for this and similar purposes.[2] Mr. A., a business census worker, was sued for debts incurred while he had been on relief. A loan from the welfare fund enabled him to satisfy his creditors; it was liquidated by payments of five dollars to the fund each pay day.

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[2] During the life of the business census project in Philadelphia (September 16, 1935 -June 30, 1937) 1878 loans were made to 523 different individuals, the total of these loans amounting to $5,780.78 with a net loss of only $39.00. Money for the loan fund of $326.00 was supplied by the project officials.

Providing shelter. Landlords have suffered greatly from loss of rents, with legal or humane considerations restraining eviction procedures. Many an owner or agent will gladly cancel, scale down, or otherwise arrange easier terms for tenants when properly approached. He may forgive several months of accumulated rent on condition that the tenant move to a location more nearly within his means, or lower the rent for a time on agreement that future bills be paid promptly, one month in advance. An intermediary who is desirous of seeing both parties helped can achieve more than the landlord and tenant with their mutually antagonistic attitudes.

The two following examples show how the census projects helped needy families. Mr. C's furniture had been attached by the constable for $300 unpaid rent. The landlord was approached and finally agreed that if the tenant would move within thirty days, he would wipe out all existing indebtedness, which would permit the employee to begin again with a clean slate.

Mrs. D. could not pay $27 necessary to stop foreclosure proceedings on her home. The mortgagor agreed to drop proceedings, after her financial condition was explained and her ability to meet future payments gone into thoroughly. Through this intervention she was able to save her home.

Health services. Medical, dental, and optical services are sorely neglected by the unemployed, even with a large and growing number of free clinics and dispensaries available. Hospitals and doctors have seen their incomes dwindle as unpaid and uncollectable bills piled up in huge numbers. The institutions and professional men who have thus performed a great humanitarian service to the public have nevertheless failed to meet the problem, for there is ample evidence to prove that millions of Americans have neglected their health because they lacked money to pay for treatment. In so far as ill health is due to improper diet, incorrect lighting, inadequate heat or clothing, it cannot be completely remedied or prevented by medical care and advice, but is due to sub-standard living conditions. Thousands of our unemployed and their families would, however, do their best to keep well and strong if their contacts with their local practitioners could be maintained or re-established. Mother and Dad doubtless know that Mary needs dental work, Johnnie suffers from eye strain, and little Billy has diseased tonsils. Now that Father is working at a security wage and has good prospects of re-entering private work under his former employer, these family needs can be taken care of, provided the local hospital and local practitioners will agree to accept small down payments on moderate fees, and the balance in monthly payments. Mr. B., an employee of the census of business, found that a severe hernia prevented his return to his former trade. Arrangements were made with a local hospital for an operation at a moderate fee. Three months later Mr. B. was able to re-enter private industry.

If the administrator will meet with the medical men and explain the situation it is usually possible to agree on a moderate scale of fees and a standard practice for repayment. An effective approach can be made through the local professional associations. For example, let us interview the head of the local medical association, explain the situation, show the exact income of the workers and the many demands made upon this income, and suggest a business-like working arrangement. Doctors may be somewhat cold at first, fearing that this is "socialized medicine," but when they are shown that it is quite the reverse they will probably endorse the plan heartily. They can be shown that it restores the patient to his family physician, who knows his medical and family history and who is therefore in the best position to give general medical service at a minimum of expense. Doctors will be found who are glad to forgive old debts, or scale them down, or arrange for small payments, for the sake of restoring their contacts with cash customers. Of course it is not wholly a cold-blooded business proposition—the doctor is a humanitarian: he is only too glad to do more than his share in serving his fellow men if only they show their willingness to coöperate with him to the best of their ability. It is perhaps needless to point out that a friendly intermediary who is at the same time in control of the patient's pay check can from his vantage point secure a coöperation and maintenance of agreements from the workers that an outsider could not achieve. The very fact that someone in authority takes a real human interest in his case is enough to make the average security wage earner live up to his agreements, but there are occasional waverers who need to be controlled, at least until their self-respect and sense of responsibility are restored.

After contact has been established between the relief administrator and the local medical association, it is good practice to use the association as a clearing house from which neighborhood contacts can be made, provided of course the association is agreeable. Then when John Jones desires medical care for a member of his family, he so informs the administrator (or some one delegated to handle this activity), and if Jones is not long established in the community the medical association is asked to recommend one or more reputable doctors in the Jones neighborhood. If contacts have not already been made with Dr. X., either the medical association official or the administrator explains the situation and enlists his coöperation. From then on it is up to Jones to carry his share of the burden by meeting his agreements promptly. If Jones has had contacts with a local doctor in whom he has confidence, the procedure is slightly different, for unpaid bills may be involved. Officials of the business census arranged with reputable optomologists and opticians to supply eye examinations and prescriptions for eyeglasses at reduced rates or on deferred payments. Scores of employees were thereby benefited. Like contacts were made with dentists, X-ray specialists, hospitals, and other medical agencies. Adjustments were often secured on medical bills, for example, Mr. E. was hard pressed by a hospital, but a satisfactory arrangement was made whereby the bill was paid in small amounts. Likewise, Mr. F., an employee with many dependents, was unable to pay for the hospitalization of his sister. As a result of a telephone conversation with the hospital, the bill was reduced 50 per cent, and the remainder paid on a budget plan.

EMPLOYMENT FOR SPARE TIME

Education. The use of spare time is a particularly acute problem among relief workers. They work short hours, they suffer from discouragement and unfortunate living conditions, and with little or no money for recreation have no way of escape from the drab monotony of their lives. For those who have a spark of pride and ambition still burning (and they are legion), educational advantages are eagerly seized upon. Courses need not be related to income to be acceptable, for a wide range of cultural, craft, and hobby courses will be useful in reviving old interests and creating new ones that will make life sweeter and more worth living. Vocational courses have their place in a rehabilitation program as an outlet for the energies of those who hope to advance their economic interests thereby. In many a community the schools provide free courses of the sort described: the administrator's task is to encourage his workers to take advantage of the offerings presented by bringing their attention to the opportunities. He may find it necessary, however, to seek the coöperation of local educators and public officials, convincing them that there is a real need for new courses at places and hours suitable for the workers. The educator of today is usually receptive to new ideas and eager to coöperate to the best of his ability in any practical educational program.

Recreation. Every work project offers a splendid chance for organized recreations, ranging from cards to athletic games such as baseball. If there are enough candidates, competing teams can be made up within the project. Interest is heightened by prizes, cups, plaques, etc., which may be donated by local service clubs or by the administrative staff of the project. Ball teams may compete in city leagues, or with other project teams: in fact the opportunities for recreational activities are limited chiefly by financial considerations, for the workers and their families must conserve their small incomes. Dances, picnics, and excursions may be arranged occasionally if costs can be kept at a minimum. The recreation program yields dividends in heightened morale, esprit-de-corps, good health and spirits among the workers, and is useful in bringing a better understanding between the workers and their supervisors. Real or imaginary troubles are forgotten during these diversions, and home ties strengthened when the children join in the fun at picnics, or watch Dad play baseball.

CONCLUSION

The ingenuity and resourcefulness of a good administrator will suggest to him additions and refinements to the program above. We believe that the substance of this program can, however, be applied to any relief project by willing and friendly supervisors. Substantially as described, the plan was used successfully in Philadelphia and St. Louis by the Bureau of the Census on its WPA projects: the few case illustrations which have been given could be duplicated many times over. What was done there can be done elsewhere, and even though some of the results prove impermanent, we must remember that for every project worker benefited there are, on an average, four members of his family who also profit directly or indirectly from the rehabilitation program. Multiply each worker by the number in his family and your total grows to large proportions; then add the doctors, opticians, grocers, and hosts of others, with their families, and we see the series of widening circles bringing in other thousands. Responsible leadership will work miracles when coupled with the public service spirit which, latent or active, inhabits the breast of nearly all American citizens.

RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmsted

Federal Reorganization Bills in Congress.—The President presented his reorganization program to Congress on January 12th. Executive hearings were held by the senate and house committees on government organization sitting jointly through February, March, and April. These hearings have been published. The two committees then proceeded independently. The chairman of the senate committee, the late majority leader Robinson, introduced an omnibus bill covering the whole program, with certain modifications as to civil service, independent regulatory commissions, etc. This was opened to public hearings for ten days in August and was reported out, together with a brief but illuminating report by the new chairman, Senator Byrnes, as S. 2970. The new draft is clarified as to finance and greatly improved as to civil service.

In broad outline the senate proposal would give to the President power for three years to transfer, consolidate, or abolish administrative agencies except nine independent regulatory bodies, such as the federal trade commission, the interstate commerce commission and the securities and exchange commission. Failure of the senate bill to give the President executive control over the administrative and policy-forming functions of these semi-judicial agencies is one of the chief criticisms of the measure from the standpoint of the report of the President's committee on administrative management. The municipal government of the District of Columbia, the board of governors of the federal reserve system, the general auditing office, the engineer corps of the army and the Mississippi River commission are also exempt from the authority of the President.

The senate bill authorizes the extension of the civil service and the classification act to positions which are not clearly temporary in character. Field employees for the first time are included under the provisions of the classification act. A single, technically qualified administrator is substituted for the present three-headed civil service board. Positions which are filled by the President by and with the consent of the senate are not included within the scope of this bill.

The general accounting office would be abolished. The executive functions of exercising current financial control over executive departments would be transferred to the bureau of the budget. The postaudit duties would be vested in an independent auditor-general responsible to a joint Congressional committee.

The house committee, under the leadership of Congressman Cochran, has prepared four separate bills. Of these two were passed—H.R. 7730 dealing with the six administrative assistants and H.R. 8202 creating a department of welfare and giving the President power for two years to rearrange and consolidate, subject to congressional veto. This bill was carried by a vote of 283 to 75. The debate will be found in the *Congressional Record* for August 13th. The Vinson bill (H.R. 8276) dealing with audit and control and the Mead bill (H.R. 8277) dealing with the extension and revision of the civil service were not acted upon.

At the next session of Congress these senate and house bills will be brought together in conference and prompt action is anticipated. There are no major differences between the

Byrnes bill of the senate and the four house bills, though the house bills seem to follow the President's program more closely wherever there is a difference.

John Blanchard

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Nation and States Foster Huge Park and Playground Program.—According to the federal works progress administration, the 7,667 WPA projects involving public recreational facilities, completed or in progress at the beginning of 1937, are estimated to cost a total of $394,790,680, when the 2,721 still under way at that time are completed. Of this amount local sponsors for the projects have agreed to pay $34,180,957, leaving $360,609,723 to be paid by the federal government. This is without consideration of projects initiated since January 1, 1937.

The above total of 7,667 recreational projects constitutes 6.3 per cent of the 121,240 WPA projects of all kinds; it includes 3,038 playgrounds and athletic fields, 3,208 parks, and 1,421 other projects. The estimated cost is 11.2 per cent of the cost for all WPA projects. A monthly average of about 190,000 persons, about 7.6 per cent of the monthly average of about 2,500,000 persons working on all projects of the WPA from its inception in the summer of 1935 to the end of 1936, was employed on such projects—athletic fields, playgrounds, golf courses, swimming pools, parks, fair grounds, etc.

While the national park service carries forward its nation-wide survey of recreational areas and facilities, looking toward a national recreation plan, information gathered by the Council of State Governments shows that the state park movement is making phenomenal advancement. The following park legislation has been passed in 1937: creating conservation departments or commissions—Georgia, Oklahoma, Tennessee (1933-1936 saw five created); establishing state park boards or commissions—Arkansas, Colorado, Delaware, Missouri, and Wyoming, as compared to the establishment of nine during 1934-1936. New York and New Jersey provided for the creation by interstate compact of the Palisades Interstate Park Commission as a joint corporate municipal instrumentality (the first such compact). The compact is before Congress for approval. Most states have strengthened their park laws since 1933.

Interstate Coöperation Methods Provided in Thirty-five States.—With the close of the 1937 legislative year, thirty-five of the forty-eight states are now provided with machinery to solve interstate problems, according to the Council of State Governments.

Since January 1, twenty-five state legislatures have voted establishment of agencies of coöperation to work with the council. In the last few months Massachusetts set up a commission on interstate coöperation to succeed its commission on interstate compacts affecting labor and industries; Connecticut and Wisconsin became members of the coöperating group by statute, Michigan passed a concurrent resolution designating its well established legislative council as the agency to perform functions of interstate coöperation, and Governor Horner of Illinois signed the bill providing for an official commission on interstate coöperation.

States still lacking this legal implement for attacking interstate problems are Arizona, California, Delaware, Idaho, Kansas, Louisiana, Maine, Missouri, Nevada, North Dakota, Texas, Utah, and Washington.

Improved supervision of insurance in the various states may soon become a matter for interstate coöperation toward more uniform laws. Meeting recently in Philadelphia, the National Association of Insurance Commissioners heard its executive committee suggest the possibility of creating an interstate commission on insurance laws.

Signing of an interstate uniform parolee compact by governors of twenty states is scheduled as one of the important features of the annual sessions of the interstate commission on crime, September 24th and 25th, in Kansas City, Missouri. This will make possible the supervision of paroled prisoners in cases where, due to the existence of their families in another state, better opportunity for employment there, or similar reasons, rehabilitation would be facilitated by transfer to such other state.

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Welfare Employees Under Merit System.—Welfare legislation in 1937 shows that four states—Arkansas, California, Tennessee, and Washington—provided for inclusion of welfare personnel in the state merit system, the *Public Welfare News* reports; in most cases the state department fixes personnel standards.

Arizona, Idaho, and Iowa require selection of welfare employees by open competitive examination. Training programs are stipulated in California, Kansas, and New Mexico as functions of the state welfare boards. Washington has just held its first examination for public welfare personnel under its merit plan.

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Michigan Becomes Fourteenth Civil Service State.—Recent adoption of a merit system bill, strongly advocated by Governor Murphy, makes Michigan the fourteenth of the states having civil service laws, and the fifth to adopt such legislation this year. The new act, which becomes operative January 1, 1938, provides for a bipartisan civil service commission of three members. Its administration will be under a personnel director, appointed by the governor. The sum of $138,000 has been appropriated for the first six months, and $143,000 for the next year. To obtain civil service status, about ten thousand state employees must take qualifying tests to be given by the commission. Residence requirements are not included in the new act, but disabled veterans are given special preference.

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Illinois Parole System Continued.—Despite violent editorial opposition and featuring of crimes by paroled prisoners, Governor Henry Horner of Illinois on July 10th vetoed legislation which would have permitted trial judges to fix minimum and maximum sentences, and weakened the powers of the state parole board. He stated: "Despite faults in administration the record shows that the parole plan has contributed more toward the security of society than the fixed sentences that preceded it in the law of this state. No trial judge, no matter how competent, can accurately predict when any convicted person can be released with a reasonable prospect of safety to the public . . . I am opposed to the repeal of the parole system piecemeal or in toto. . . . The press tells the public only of the paroled convict who goes wrong. Rarely is credit given for the vast majority who make good."

*

New Civil Service Law for California.—A new civil service act for the California personnel board, effective on August 27th, was signed in July by the governor. It facilitates the operation of the civil service constitutional amendment of 1934. Among other matters it provides for the development of a career service by filling higher positions through promotion wherever practicable.

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Council-Manager Plan Developments.—The recently formed Huntington (West Virginia) Civic Association is working for the adoption of the manager plan for that city. Various civic organizations and luncheon clubs are represented on it. The chamber of commerce is also taking a prominent part in the campaign. The new association will seek to educate the people with regard to the workings of the plan as well as the use of the initiative, referendum, and recall. Thousands of information sheets and reprints of newspaper articles have been circulated. Guidance will also be offered as to the selection of the charter board of eleven members. According to Paul K. Walp, head of Marshall College, "All in all, it appears that the manager plan is rolling along the Ohio River and we hope it won't be long before most of the cities from Pittsburgh to St. Louis are enrolled under the municipal manager banner." He points out that Wheeling, West Virginia; Ashland, Kentucky; Ironton, Portsmouth, and Cincinnati, Ohio; and several other cities on the Ohio River are now functioning under the plan.

At a public hearing of the Charter Committee authorized by the 1937 legislature to draft a new municipal structure for the city and county of Philadelphia, the manager plan of government together with proportional representation for the election of the council was strongly urged by a number of Philadelphia citizens and organizations. The committee has the matter under advisement.

Petitions are being circulated in Yonkers, New York, for a city manager and proportional representation charter under the new Armstrong home rule law.

The executive committee of the Winnipeg (Manitoba) Home and Property Owners Association has endorsed the manager plan for that Canadian city.

Ashland, Ohio, (11,141 population) at a special election on June 22, rejected by a vote of 2,637 to 683 city charter amendments proposing a city manager, a full time health department, and election of councilmen by wards instead of at large. College Park, Georgia, (6,604) on June 29 by a vote of 424 to 64 defeated a proposal to adopt a council-manager charter enacted by the recent legislature.

In Berkley, Michigan, (5,571) a city commissioner is advocating a charter amendment providing for a city manager. Shillington, Pennsylvania, (4,401) has passed an ordinance creating the position of borough manager, similar to that of other Pennsylvania boroughs.

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Citizen Advisory Committees in Hackensack.—According to the Hackensack *Record,* Mayor deClairmont has started his administration in that New Jersey city with a proposal to organize advisory committees of citizens to help the mayor, council, and city manager on unusual problems of civic administration. He has already been authorized to appoint committees to help with Hackensack's $435,000 trunk sewer project and with parks and playgrounds, and he states: "One benefit to be derived from such a plan of conscription of brains is that it will interest the city's leading citizens in government."

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New York Mayors' Conference Plans Regional Meetings.— The New York State Conference of Mayors and Other Municipal Officials has announced plans for eleven regional meetings of city and village officials to be held between September of this year and January 1938. Each meeting will consist of two sessions, without set program. Local problems presented by the officials attending will be discussed at the morning session; suggestions for new municipal legislation and proposals for the constitutional convention will be received and discussed at the afternoon session.

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Philadelphia Family Court Unconstitutional.— On July 7th the supreme court of Pennsylvania declared unconstitutional the law creating a family court in Philadelphia, under which four judges had recently been appointed by Governor Earle. The municipal court of eleven judges and some five hundred employees was restored. The new civil service commission of five, to be appointed by the mayor and controller, was also voided in favor of the old commission of three appointed by the council. The old receiver of taxes was restored to office, but the new board, of seven members, for revision of taxes, was upheld, with the provision that the three present members serve out their terms. Changes in assessment methods were approved.

Advisory Council Urged for Alberta.— According to a dispatch in the *New York Times* of August 29th, formation of a provincial advisory council, consisting of four outstanding business men of Alberta, to advise and assist in joint action of Liberals, Conservatives, and the United Farmers of Alberta in effecting "establishment of a sound business government at Edmonton," was proposed by E. L. Gray, provincial leader of the Liberal party.

Mr. Gray explained that "this council will be entirely of an advisory nature and will itself take no active part in the political field." The Liberal Association, he said, would name representatives to act with the council and the Conservative and other political groups would be requested to name members to do likewise.

Under the "unity plan" announced by Mr. Gray, local autonomy of political groups would be respected and in each constituency local officers would be urged to form small coordinating councils to work with representatives of other political groups.

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New York University Public Service Program.— In coöperation with administrative departments of the New York City and State governments the New York University division of general education will present a comprehensive program of professional courses in public service this fall, offering both practical training for young men and women who desire to enter public service and advanced training for existing employees. The program, which was planned by a board of practical government experts and embraces ten fields of public service, will be presented evenings at the Washington Square center of the university by members of the government department faculty assisted by city and state officers.

The planning committee included Miss Grace A. Reavy, president, and Frank H. Densler, executive officer, of the New York State civil service commission; Mark Graves, state commissioner of taxation and finance; James E. Finegan, president of the New York City civil service commission; Leonard D. White, former member of the United States civil service commission; Professor Paul Studenski, Professor Wallace S. Sayre, and others. Professor Sayre is in charge of the program.

Courses will include government and administration of New York City and of New York State, unemployment insurance administration, methods of assessment of property, social insurance, public employment service, public personnel administration, and related subjects.

Dean Ned H. Dearborn stated that the new program was prompted generally by the rapidly growing need for trained public servants and more specifically by Mayor LaGuardia's leadership in raising the public service standards in New York City.

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University of Pennsylvania Establishes Government Institute.—An institute of local and state government, which will be supported during the first six years by a gift of $240,000 from an anonymous source, has been established at the University of Pennsylvania in Philadelphia. In announcing the new institute Dr. Thomas S. Gates, president of the university, states that increased emphasis will be placed on training for citizenship and public service by the university. The principal objectives of the institute will be:

1. To establish as complete a center of practical and printed knowledge about every phase of the problems of local and state government as possible;
2. To maintain, with the center, an advisory, consulting, and informational service for local and state government units in Pennsylvania and for associations and officials actively concerned with the work of such units;
3. To maintain a center for the training of experts and administrators for cities and other units of local and state government, for in-service training of those now employed in the public service, and for the education in local and state government affairs of students who expect to enter business or the professions;
4. To maintain a center for conferences, lectures, and discussions relating to major questions in the improvement of local and state government in Pennsylvania and other states as a means of educating public opinion;
5. To conduct research into problems which the development of this program may bring to the surface—with particular regard to those problems which consultation and contact with local and state officials in Pennsylvania may indicate are most important to them.

The institute, offices of which will be in the Wharton School of Finance and Commerce, will have an advisory committee of representatives of the various schools and departments of the university and leaders of various associations of local government officials. Until this committee is appointed and a director is selected the work of the institute will be in charge of Dr. Stephen B. Sweeney, associate professor in the Wharton school, who will serve as acting director and as assistant director on the permanent staff.

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Annual Conferences of Municipal Officials.— Following is a list of important conferences of municipal officials planned for the fall months:

Municipal Finance Officers' Association, September 13th to 16th, Hotel Statler, Boston. Executive Director, Carl H. Chatters, 850 East 58th Street, Chicago.

American Public Works Association, October 4th to 6th, Atlanta Biltmore Hotel, Atlanta, Georgia. Executive director, Frank W. Herring, 850 East 58th Street, Chicago.

International Association of Chiefs of Police, October 4th to 7th, Lord Baltimore Hotel, Baltimore, Maryland. President, L. V. Jenkins, commissioner of police, Portland, Oregon.

Civil Service Assembly of the United States and Canada, October 4th to 8th, Chateau Laurier, Ottawa, Ontario. Executive Director, G. Lyle Belsley, 850 East 58th Street, Chicago.

American Public Health Association, October 5th to 8th, Hotel Pennsylvania, New York City. Executive Secretary, Reginald M. Atwater, 50 West 50th Street, New York City.

American Municipal Association, October 13th to 15th, Blackstone Hotel, Chicago. Executive Director, Clifford Ham, 850 East 58th Street, Chicago.

International City Managers' Association. October 18th to 21st, Hotel Roosevelt, New Orleans. Executive Director, Clarence E. Ridley, 850 East 58th Street, Chicago.

National Association of Assessing Officers, October 20th to 22nd, Hotel New Yorker, New York City. Technical Director, Albert W. Noonan, 850 East 58th Street, Chicago.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Merit System Extended to Deputy Sheriffs in Wisconsin.—The 170-day regular session of the Wisconsin legislature, which ended July 2nd, passed three acts designed to improve county personnel administration, again defeated an attempt to steer county government reform around the uniformity clause of the state constitution, and increased the special powers of county boards. The act of 1935 relating to civil service for deputy sheriffs in counties of less than 500,000 population (other than Milwaukee) was amended in several important respects. The establishment of a county civil service commission is made optional with the county board. At present only Milwaukee County has such a commission. It seems probable that most counties which apply the merit system to deputy sheriffs will follow the other option provided in the act, namely, certification of three persons for each position by the state bureau of personnel at the request of the county board and at the expense of the county. Racine County, the only one in this classification using the merit system for deputies, employs this method. In case such commissions are set up, they will, in all important respects, be governed by the provisions of the civil service law for Milwaukee County, with the exception of the provisions for compensation and the number of commissioners. The less populous counties may provide three commissioners, instead of five as in Milwaukee County. The new act relaxes the older provision as to the eligibility of deputies employed at the time of the adoption of the merit system. Henceforth, such persons are eligible for appointment without examination if the county board so decides. The new measure also increases the vote necessary for amendment or repeal of the merit ordinance from two-thirds to three-fourths of the members of the board. Some definite action on the question of adopting the merit principle under the terms of the act in Dane County is expected at the next meeting of the county board.

Retirement Annuities for Milwaukee Officials.—Two acts were passed providing for retirement systems in Milwaukee County. The first measure provides for annuity and benefit funds for sheriffs and their widows and children. It sets up a special retirement board, creates age and service annuities by contributions of 3 and 9 per cent (of salaries) paid by sheriffs and the county respectively, and authorizes an additional tax levy. The second act establishes the first comprehensive county retirement system in Wisconsin. It includes all Milwaukee county employees not covered by any municipal or state pension fund except those present employees who do not choose to accept membership. All future employees become members as a condition of employment. General administration of the retirement system is vested in an annuity and pension board of seven members: three named for three-year terms by the chairman of the board of supervisors and confirmed by the board, three members elected for staggered three-year terms by the employees from their own ranks, and the county auditor, ex-officio. The board, upon the recommendation of an actuary employed for the purpose, shall adopt tables and certify rates of contribution by employees and the county. Periodic readjustments are required at least once in five years. Retirement is optional at the age of sixty and compulsory at seventy, unless a two-year extension is granted by the county board. Benefits consist of an annuity which is the actuarial equivalent of the member's accumulated contributions, a pension equal to 1/140th of the final average salary for each year of membership service, and an additional pension of 1/70th of the final average salary for each year of creditable prior service if such a prior service certificate is in full force. Allowances are also provided for ordinary and accidental disability retirement, the former after fifteen years of creditable service if the member is physically or mentally incapacitated. In case of ordinary death, the beneficiary receives all the accumulated contributions and a lump sum of one-half of the final average salary. In case of accidental death in active service, a pension of one-half of the final average salary of the deceased is granted the widow during widowhood, or the child or children till the age of eighteen, or the dependent parent or parents for life. This system will be established January 1, 1938.

Effort to Eliminate Uniformity Clause Unsuccessful.—Another unsuccessful attempt was made this session to circumvent the barrier which the uniformity clause of the constitution offers to county government reform. Amendment of section 23 of article IV seems to be the only solution. This was proposed in a joint resolution introduced in the assembly. As originally worded, the proposal was simply to empower the legislature to provide for different forms of county government, instead of one uniform system, to become effective in any county upon approval of a majority vote of those voting. The judiciary committee's amendment, limiting the forms of county government to three in number and requiring a majority vote of those voting in each of a majority of the political subdivisions of the county, was accepted. After the third reading, the resolution was indefinitely postponed by a vote of forty-nine to twenty-five.

To preserve and utilize the natural advantages of many counties, the legislature also extended the special powers of the county boards, authorizing an annual appropriation not to exceed $5,000 to advertise "the advantages, attractions, and natural resources of the county and to conserve, develop, and improve the same." The county, or any agent authorized by it, may coöperate with any private agency or organization in this work.

Eldon L. Johnson

University of Wisconsin

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County Government Reform in New York City Jeopardized.— According to the Citizens' Budget Commission, "no reduction of county government expenses and no real consolidation of county offices is provided for in the six Sullivan bills recently introduced in the board of aldermen. These bills, while ostensibly intended to carry out the purpose of the constitutional amendment adopted by the people by a three-to-one vote in November 1935, in fact will accomplish no such purpose. Analysis of the bills reveals that, instead of consolidation, economy, and the transfer of county functions to city control, these measures would perpetuate the present obsolete and wasteful county government structure and would effect no centralized city-wide administration of any of the offices.

"The county offices affected by the constitutional amendment are the sheriffs, the commissioners of records, the registers, the public administrators, and the commissioners of jurors. These bills fail completely to make any change in the offices of the public administrators. While they transfer the functions of the commissioners of records of New York and Kings Counties to the county clerk they make no reference whatever to the commissioner of records of Bronx County. . . . The office of sheriff would simply undergo a change of name to borough marshal with no change in jurisdiction. Indeed, their jurisdiction is extended to include the power of appointment of the eighty-two city marshals, now appointed by the mayor, who would become deputy marshals under the jurisdiction of the borough marshals. . . . The only real change that the bill would make, in so far as the sheriffs are concerned, is to place their appointment in the supreme court justices in each borough, instead of requiring that they be elected by the people.

"The constitutional amendment for county reform was adopted following twenty years of public effort to centralize county offices within the City of New York and end overlapping jobs, sinecures, and payroll and other waste, estimated at more than one million dollars a year, in the five county governments. Commissioner of Accounts Blanshard has publicly stated that yearly waste of eight hundred thousand dollars exists in the five county sheriffs' offices, and that he has found 'political bureaucrats of distinguished unfitness' in the offices of registers and commissioners of record. These bills do not even make an effort to remedy this condition."

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Hospitalization a County Responsibility in Milwaukee.— A law passed in 1935 made the hospitalization of persons afflicted with contagious diseases a county responsibility. For over two years, reports the Citizens' Bureau of Milwaukee, the county board has been trying to get the city of Milwaukee to transfer its 250-bed isolation hospital to the county government so that this hospital can serve the entire county. The city appears reluctant to make the transfer because city officials fear the loss of prestige by turning first parks, and now the hospital, over to the county government. The law must be complied with, however, and if the city refuses to turn over its hospital the county must build another 250-bed hospital estimated to cost $400,000. The county government now operates six hospitals containing 94 per cent of the public hospital facilities in Milwaukee. The advantages which the county has in operating hospitals on a large scale such as the use of student nurses, a forty-eight- instead of a forty-hour work week, and the quantity purchases of food, medical supplies, and hospital equipment are estimated to make a saving of at least $25,000 a year.

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Pennsylvania Amendment Would Shorten County Ballot.— As the result of the findings and recommendations of the local government commission created by an act of the 1935 legislature, a resolution was introduced and passed in the 1937 legislature to amend the constitution in the interest of a more simplified county government. The resolution requires passage at the next session of the legislature following which the amendment will be submitted to the people for ratification.

The present constitution enumerates sixteen county officers, at least thirteen of which must be elected in each county. It also permits the creation of new counties. The proposed amendment would retain as constitutional officers only the three commissioners, the sheriff, the district attorney, and the controller. It would also prohibit the creation of any new counties except by the consolidation of existing counties. This particular section of the proposed amendment reads as follows:

> Section 1. A new county shall not be created except by the consolidation of two or more existing counties. An existing county may be abolished and its territory annexed to one or more contiguous counties. The general assembly shall by law provide for the consolidation and abolition of counties but no existing county shall be consolidated with another and no county shall be abolished without the consent of the electors thereof.

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Counties and Municipalities Propose Tax Adjustments in Mississippi.—Mississippi municipal and county officers have recently held a series of regional meetings under the leadership of C. D. Ross of Jackson and J. E. Frazer of Canton, managers of the municipal and county supervisors associations, respectively. Among the resolutions adopted uniformly by the several meetings are the following:

> 1. A part of the state sales tax should be allocated to the municipalities and counties to be used to retire their bonds.
>
> 2. The state tax on oil and gasoline used by municipalities and counties is unfair, unjust, and against the policy of the state and should be discontinued.
>
> 3. Payment of motor license fees should be moved up to March 1 of each year with a definite requirement that no license be issued unless the owner can produce a tax receipt covering the ad valorem taxes on the car for state, county, and municipal purposes. The tax collector should be liable on his bond for taxes on cars for which the license was issued without payment of the ad valorem taxes.
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> 4. All lands now being sold to the state for taxes due and delinquent should be sold to the county in which they are located subject to all state and municipal taxes and special improvement assessments.

D. W. Knepper

Mississippi State College for Women

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Zoning for Five Tennessee Counties.— The American Society of Planning Officials reports that enabling legislation for the zoning of the five counties comprising northeastern Tennessee was passed at the last session of the general assembly. Counties affected are Unicoi, Carter, Washington, Johnson, and Sullivan. The enabling act empowers the county court to provide for zoning of all of the county lying outside of municipalities, and to regulate the location, height, and size of buildings, and the uses of land, buildings, and structures within the zoned areas. The Northeastern Tennessee Regional Planning Commission will zone the counties.

*

County Consolidation Now Possible in Montana.— In conformity with the constitutional amendment passed in November 1936, the Montana legislature has recently passed an act setting up machinery for consolidating two or more counties by consent of the people. Under this act, if those people residing in a county desire its abandonment, a petition must be circulated and signed by 35 per cent of the voters. No withdrawals of signatures are thereafter permitted. Elections are then held both in the county to be abandoned and in the county with which it is to be consolidated.

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Philadelphia City-County Merger Vote Ordered.— The Pennsylvania supreme court on June 25th, in a unanimous decision, ordered that a constitutional amendment providing for the merger of city and county government in Philadelphia be submitted to the voters at the November election.

John B. Kelly, city Democratic leader, who coöperated with Mayor Wilson in the effort in the state legislature to make a vote possible this fall, stated: "The court, with sanity and wisdom, reversed an older decision which for years had imposed a 'time lock' which fixed an absolute five-year limit on such elections. Its action paves the way, if the people approve the amendment, and I think they will, for adoption of a new charter for Philadelphia in 1938 instead of 1939." City Controller White estimated that a saving of $3,000,000 to $5,000,000 a year to the city would be made possible by the consolidation.

H. M. O.

TAXATION AND FINANCE

Edited by Wade S. Smith

Pennsylvania Modernizes Local Fiscal Systems.— The general assembly of 1937 has finished laying the ground work for a modern fiscal system for 5,275 local taxing units of the commonwealth. With the addition of three new acts to the seven adopted in 1935, an adequate uniform budgeting and reporting system now applies to every subdivision of local government with the exception of Philadelphia, Pittsburgh, and Scranton which are governed by individual acts. As a result of this legislation, business-like methods are now provided for the handling of approximately one-half billion dollars of local revenues annually.

Two of the new acts, approved by the governor on June 4th and 5th, respectively, bring 936 boroughs and 1,514 second-class townships under the system adopted for the other types of local governments in 1935. These bills were introduced by Senator William J. Eroe, Jr., of Lawrence County, as companion measures to the bills which, as a member of the house of representatives, he introduced and brought to final passage two years ago. The new bills were sponsored, as in 1935, by the Taxpayers Forum of Pennsylvania and were endorsed by the local government commission and by the Democratic administration through the department of internal affairs.

The third new bill pertaining to the uniform fiscal system was incorporated in the act establishing county institution districts in each county to replace the local poor districts. The sections of this act which pertain to finances place the fiscal affairs of the new districts under the same system of budgeting and reporting now in use for counties.

The system put into effect by these acts provides primarily for: (1) adoption of and adherence to an annual financial program of income and expenditure by every local taxing unit; (2) uniformity in budgeting and reporting of local funds; and (3) establishment of a unified, permanent record of local finances through the filing of budgets and reports with an agency of the state government at Harrisburg.

Under the standard budgetary provisions each local district is required to prepare and adopt an annual budget, showing both the proposed expenditures for the year and the anticipated income from which they will be met. Under the budget law no appropriation may be adopted in any budget which causes the total estimated expenditures to exceed the revenues anticipated. As a result of this requirement no local government covered by these acts may now legally adopt an unbalanced budget.

After the budgets are prepared a waiting period of one month is provided for the further consideration of the budget by the tax-levying body and by the taxpayers. Each law specifically requires that public notice shall be given of the fact that the budget is available for inspection by any interested person or group at a designated office or residence within the community. Thus, for the first time in commonwealth history, definite provision is made in these acts for the participation of taxpayers in determining the financial programs of local taxing districts before tax rates are fixed and expenditures are made. Heretofore the role of the taxpayer has been limited under the law to protests against tax rates after they have been adopted or to appeals from auditors' reports after expenditures have been incurred.

Thomas A. Logue,
Secretary of Internal Affairs, Pennsylvania
From *Your Dollar's Worth,* July 1937

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Balancing State, County, and City Budgets.—In these days of unbalanced budgets of all first class powers throughout the world, it is of interest to note something of the legal provisions for balancing state, county, and city budgets as revealed in reliable source material consisting of the statutes, constitutions, legislative resolutions, charters, ordinances, treasurers', attorney generals', and auditors' reports in the forty-eight states of the union. This is a brief resume of a part of the findings of the author's research survey on "Balancing State, County, and City Budgets."

The Idaho laws require the balancing of the state budget as well as those of all municipalities.

In Illinois the budget is made up for the state and there is a law for the counties and also for cities of certain size. Contracts cannot be made beyond certain of these budgets, especially those of the county. These budgets are always kept balanced on the books, but no law could be found that technically requires budgets balanced.

The Kentucky statutes require county budgeting, but this provision is not made for the cities.

According to the report of the state auditor of Maine the law of that state requires that the state budget shall be prepared in such manner as to "present a complete financial plan for each fiscal year of the ensuing biennium." It shall be set up in three parts as follows: (1) A budget message by the governor, outlining the financial policy, must show "a balanced relation between the total proposed expenditures and the total anticipated revenues," etc.; (2) Detailed estimates of expenditures and revenues, statements of the bonded indebtedness of the state government, showing debt redemption requirements, the debt authorized and unissued, etc. The expression "debt authorized and unissued" refers to the Maine constitutional provision which prohibits a debt by the state in excess of two million dollars except by special vote of the people on a resolution submitted by the legislature proposing an increase for a definite purpose; (3) Drafts of the legislative measures required to give legal sanction to the financial plan when adopted by the legislature, including the appropriation bills and such other bills as may be required to provide the income necessary to finance the budget. Work programs are required to be submitted each year to the governor and council, who have power to revise, alter, or change such allotments. The allotments may not exceed the total appropriations made available to each department or agency for the year in question. The state controller shall authorize expenditures from the appropriations "on the basis of such allotments and not otherwise." There is no legal provision in Maine requiring balanced budgets for towns, cities, or counties.

The Massachusetts law requires that state, county, city, and town budgets be balanced.

There is no law compelling the state of Minnesota to balance its budget. Certain cities have charter requirements, and there are certain statutes placing a limit on mill levies in counties, municipalities, and school districts. The League of Minnesota Municipalities has made a detailed study of this problem.

The statutes in Mississippi require balanced budgets by state, county, and city governments. The statutes are strictly enforced in so far as state departments and agencies are concerned, but strict enforcement of city and county budget acts has been impossible due to self-evident conditions.

Missouri has state and county budget laws.

The Nebraska bill known as the county budget act of 1937, providing for balancing of county budgets, was approved May 3, 1937.[1]

Nevada laws set forth that state, county, and city operate under a budget-balancing system.

No laws exist upon the statute books of the state of New Hampshire requiring that state, county, or city budgets shall be balanced.

The report of the state auditor of New Jersey states that the laws of New Jersey require an annual budget for state, counties, and municipalities. The New Jersey comptroller is required to make an estimate of revenue and the law prohibits the making of appropriations by the legislature in excess of the comptroller's estimate of revenue. Counties and municipalities are required to balance the budget mathematically and those municipalities which operate under the so-called cash basis act are required to increase the amount to be raised by taxes, which is the balancing figure in proportion to the rate of taxes collected in the previous year. The New Jersey auditor gives as an example that if the amount to be raised by taxes to balance the budget mathematically is $1,000,000 and the rate of collection of the previous year's taxes in that year was 80 per cent, then the amount of tax actually levied is $1,250,000. This on a basis of 80 per cent collections in the current year will produce $1,000,000 in cash, the amount needed to balance the budget from a cash standpoint. In 1936 New Jersey passed a budget act limiting the counties and municipalities in the appropriation of surplus to the amount of surplus which is free cash. Furthermore, in anticipating miscellaneous revenues, they are limited on each item to the amount actually received in the previous year on account of that item in cash.

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[1] See below, Nebraska's New County Uniform Accounting law. Ed.

The laws of Oregon require balancing of municipal budgets through inhibition against spending more than the amounts of budgets or for different purposes than the budgets specify. Section 69-1117, Oregon code 1935 supplement states: "It shall be unlawful for any public official to expend any money in excess of the amounts, or for any other or different purpose than as is provided by law. Any public official who shall expend any public money in excess of the amounts, or for any other or different purpose or purposes than is authorized by law, shall be civilly liable for the return of said money by suit of the district attorney of the district wherein said offense is committed, or at the suit of any taxpayer of said district." This does not mean that a subdivision must remain upon a cash basis. Expenditures within budget allowance may be evidenced by warrants endorsed "not paid for want of funds."

South Carolina has no law requiring state, county, and city budget balancing. It has been customary the past several years, however, for this state to operate upon a balanced budget. The duty of the South Carolina budget commission, which was provided by the general assembly, is to see that expenditures are kept well within revenues.

The laws in South Dakota require state, county, and city to set up a budget, which they cannot exceed during the fiscal year for which the budget was made.

The Texas reorganization act of 1937 requires state budget balancing. County and city budget balancing is required by the local finance act of 1937, but the act is only applicable to such counties and cities as sell bonds under the same act.

The Wisconsin Tax Commission reports that except for the provisions of chapter 65 of the statutes relating primarily to first class cities, paragraph 2 of section 62.12, and section 59.84 relating to Milwaukee County, the statutes are silent with respect to municipal budgets. Twenty-two counties and nine cities in Wisconsin have inaugurated a system of budget control.

Between 1918 and 1930 disbursements were tripled by some of the state governments and their respective political subdivisions; as a result the mounting tax burden has become a matter of grave concern. The depression has crystalized public sentiment on this most serious problem with which governments have been confronted in our day.

C. Stewart Peterson

Baltimore, Md.

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Savannah Adopts Consultant Service Report.—The city council of Savannah, Georgia, adopted an ordinance at its meeting July 30th, suggested in the report of the Consultant Service of the National Municipal League, which was received that day. In accordance with the recommendations of the report, this ordinance, strictly regulating the city's budget procedure and financial practice, will probably be made a part of the indenture of a proposed issue of refunding bonds and ultimately become a part of the city charter.

It provides that: (1) in the preparation of an annual budget the estimate of receipts from locally assessed real property taxes shall not exceed the proportion of the levy collected in the preceding year and from most other items shall not be greater than the receipts from similar sources in the preceding year; (2) the budget must contain appropriations for interest on bonded debt and principal of all serial bonds maturing during the year, and the sums required to be paid into the sinking fund by any ordinance or bond issue, or contract obligation, as well as cost of operation of the city departments, and any other purposes for which the city may legally appropriate money; (3) the total of appropriations shall never exceed the total revenue estimate; (4) any unencumbered balance from the previous year shall only be available for appropriation after the amount of the excess shall have been determined by the comptroller and certified by him to the council; (5) if total expenditures in any year exceed cash receipts, there shall be a deficiency appropriation in the budget for the immediately ensuing year for the excess; (6) no money shall be paid from the city treasury or any obligation be incurred except in accordance with an appropriation duly made, nor in excess of the unencumbered balance of such appropriation; (7) money received from the sale of bonds may be appropriated from time to time for the purposes for which such bonds were issued; (8) extraordinary receipts from sources not included in the estimate shall be available for appropriation any time, after their actual receipt, but their amount shall not be included in the estimate of revenue for the ensuing year; (9) in case of disaster or great emergency the council may by two-thirds vote appropriate such sums as may be necessary, provided such appropriations shall be included in the next year's budget unless meanwhile financed by a bond issue.

The city's financial position is fundamentally sound, but momentarily embarrassing because of a distressing shortage of cash to meet bond obligations and payrolls for the remainder of the year. On December 31, 1936, it had a deficit of $818,505 which, except for $61,395 in contract obligations, is made up of demand notes and past due bonds and coupons held by the banks, the amount due the sinking fund, and audited vouchers payable to merchants. One must take into account depression conditions, reduced cash receipts, heavy emergencies for relief, and the city's attempts to curtail expenditures—including pay reductions of $90,000 annually. But budgets adopted could not be adhered to and expenditures regularly exceeded receipts.

The administration of Mayor Robert M. Hitch, which came into office in January, is determined to take the steps necessary to remedy the situation by adoption of the budget measure described above, a more stringent tax collection policy, and certain other improvements recommended by the Consultant Service such as a scientific revaluation of real estate, standardization of salary schedules, metering of the water service, motorization of the public works department, putting the sinking fund on an investment basis, and a refunding of past due bonds and maturities of 1937 and 1938 and demand notes and audited accounts. The plan, as presented by the Consultant Service, also included the repeal on July 21st of a 2 per cent local sales tax ordinance then in litigation.

Doris Darmstadter

Consultant Service,
National Municipal League

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Nebraska's New County Uniform Accounting Law.—One of the laws enacted by the 1937 session of the Nebraska legislature is being watched with considerable interest. It relates to county government and provides for: (1) a system of uniform accounts, (2) regular audits by the state auditor, and (3) publication of the audit reports. The new law is a restatement of earlier statutes which have been unenforcible. It is hoped that through the new measure Nebraska will undertake to do what many states have been doing for a very long time.

The new law contains many commendable features. There will be no waiting "to lock the barn" until "after the horse is stolen" for the audits must occur at intervals of no more than two years. There will be no opportunity for delinquent county officials to "cover up" for the auditor must not "tip off" the local officials of an impending audit. The audit will be more than a mere "white wash" for there shall be a careful check of every claim, receipt, and expenditure. In fact it is made the auditor's duty to pass upon the regularity of each claim paid. Worse yet, from the standpoint of an offending county official, the record will be spread before the public through publication of the audit report in the local papers. Moreover, the new law is not to be a mere gesture for it is specifically provided that when once the state auditor has devised his system of uniform accounts the county officials must adopt it. Disobedience such as prevailed under the former statutes will not be tolerated (although the act provides no penalty for failure to conform).

Undoubtedly the new law will do much to bring order out of chaos and should eliminate much of the waste of county government. Control of expenditure, however, involves much more than merely compelling departments to remain within their respective budgets or requiring county officials to submit to all limitations imposed by the county governing body. In its broader aspects it implies the application of revenues to those activities in which they are calculated to do the most good. It is from this standpoint that the new law is not all that might be desired.

To assure the preparation of adequate financial reports is one thing; to bring about their use quite another. Too many governmental financial reports leave the feeling that the officials responsible for their preparation were motivated by a desire to impress the reader with the ability of the official to balance his accounts. This is quite a desirable accomplishment but uninformative owing to the comparative ease with which revenues may be transferred from one fund to another. The majority of interested taxpayers, and county officials for that matter, are not trained in the interpretation of financial reports. For this reason adequate financial reporting calls for the presentation of the material much in the form in which it could be used by one who has been so trained.

An exhibit of a governmental financial report taken by itself is extremely dry and uninteresting. Let it be accompanied by similar reports for previous periods, however, and it is given life. Now it has a story to tell, one in which practically everyone has a vital interest. Let it be accompanied by reports from other governmental units of a similar nature and size and it carries added interest for it now provides a basis upon which the taxpayer can judge the efficiency of his public servants. Presented in this manner an exhibit of governmental finances is in usable form.

The new Nebraska law gives the auditor sufficient authority to enable him to require adequate county reports so far as construction and content are concerned. The provisions having to do with the reporting aspects of the matter, for reasons explained above, are lamentably inadequate. It is unfortunate that there is no provision for the collection, clarification, and publication of a summary of these annual reports for the state as a whole. One has only to examine a few of the reports published by some of the other states to appreciate what might be done. The various bulletins recently issued by the Mississippi State Tax Commission are illustrative. It is to be hoped that the state auditor will find a way to correct this defect in a law which promises to bring about great improvement in county administration in Nebraska.

E. B. Schmidt

University of Nebraska

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

P. R. at the Irish General Election.—The following article, which appeared under this title in the *Manchester Guardian* of July 14, 1937, was written by John H. Humphreys, secretary of the British Proportional Representation Society, after a trip to Ireland during which he observed the recent P. R. elections of the Dail Eireann of the Irish Free State:

The election of a whole parliament with the single transferable vote form of proportional representation is an event that deserves special study by democrats. It puts questions to statesmen, to political parties, to professors and students of political science. Ought the method of election to assure representation to substantial minorities? Or is it wiser that the method of election should try to force all citizens into two opposing parties, even if it may fail in the attempt, and even if it turns a general election into a veritable gamble? What is the answer that democrats should give to the challenge that the dictators make to the very idea of democracy?

The proportional system has been used in seven general elections in the Irish Free State. Mr. De Valera embodied it in the new constitution on the ground that it was a just method of election. This constitution declares that no constituency shall return less than three members. Mr. Frank MacDermot urged that the number should be not less than five. His proposal was not accepted, but Mr. De Valera intimated that it could be considered by the Dail in any new redistribution bill.

The proportional principle is generally accepted, but there was much discussion both before and during the election about three-member constituencies. Would they not prevent the proportional principle from having its full effect? Strong criticism in this sense was made of the Irish government's last redistribution bill, which greatly increased the number of three-member constituencies. It will be useful, then, to compare the results in these with the results in (1) the single-member constituencies of Great Britain and (2) those constituencies of the Irish Free State that return four or more members. Finally, it will be desirable to consider the results of the Free State general election in relation to problems of government.

Three-Member Constituencies

Throughout Ireland, whether in the three-member or the larger constituencies, there were no uncontested seats. Further, no party secured a monopoly of the representation of any one county. In this the difference between the Irish and British methods of election is most marked. The county of Louth returns three members and is polled as one area; Kent elects fifteen members and, for a general election, is divided into single-member areas. Louth gave the following result:

LOUTH (GENERAL ELECTION, 1937)

	VOTES	SEATS
Fianna Fail	15,983	2
Fine Gael	13,705	1

Because of P.R. the large Fine Gael minority was assured of one of the three seats. In Kent one seat was uncontested, whilst in all the remaining fourteen areas the minorities were defeated. The figures were:

KENT (GENERAL ELECTION, 1935)

	VOTES	SEATS
Conservative	356,572	14
Labour	166,854	0
Liberal	45,334	0

Ought the Labour and Liberal minorities to have any representation? In Ireland, yes; in Great Britain, no. Under the British system, in the eleven counties stretching from Kent to Cornwall, Labour, although it polled 840,000 votes, failed to secure even one of the eighty-five seats.

What happened in the whole of the three-member areas? The figures were:

	VOTES	SEATS	VOTES PER SEAT
Fianna Fail ..	202,604	24	8,441
Fine Gael	162,202	16	10,137
Labour	22,965	3	7,655
Independents .	59,771	2	29,885
Totals	447,542	45	9,945

The largest party, Fianna Fail, gained four seats more than its strictly proportionate share, largely through independents failing to poll the quota of votes that ensured election. The three-member areas certainly lessened the chances of election of minority leaders and of individuals who stood apart from parties. Even so, two independents were returned and, taken as a whole, the results of the three-member constituencies constitute, when compared with British results, a real approach to proportionality.

The constituencies returning four or more members gave the following result:

	VOTES	SEATS	VOTES PER SEAT
Fianna Fail ...	396,920	44	9,020
Fine Gael	299,056	32	9,345
Labour	109,692	10	10,969
Independents .	71,717	6	11,952
Totals	877,385	92	9,536

The results show a still greater approach to proportionality in the representation secured by the two largest parties.

The Total Result

It remains to give the totals for all the constituencies, whether returning three, four, or more members. The figures were:

	VOTES	SEATS	VOTES PER SEAT
Fianna Fail ..	599,524	68	8,816
Fine Gael	461,258	48	9,609
Labour	132,657	13	10,204
Independents .	131,488	8	16,436
Totals	1,324,927	137	9,671

In this table there is not shown the Fianna Fail seat occupied by Mr. Fahy, the speaker of the former Dail. In accordance with the law, he was re-elected without a contest and the number of seats to be filled for his constituency, East Galway, was reduced by one. There was not in this election such a close alliance between Fianna Fail and Labour as in 1933. Nevertheless, the figures of individual constituencies show that many voters for Fianna Fail helped Labour with their preferences, and Labour voters often helped Fianna Fail. If the votes of Fianna Fail and Labour are taken together there is a clear majority both in votes and in seats for these two parties.

Mr. De Valera is in a position relative to other parties little different from that in which he was in 1933. He has remained in office from that time. The talk of difficulties in carrying on government is therefore premature. On the contrary, it seems that proportional representation may in the end lead, as in Scandinavia, Denmark, Holland, Belgium, and Switzerland, to some measure of coöperation between parties. Mr. Davin, a Labour member, has already suggested that there should be a private conference of representatives of the three principal parties to seek agreement as to the best means to be adopted to secure a settlement of the differences between Great Britain and Ireland.

Others have urged the formation of a national government. If such coöperation is forthcoming a sympathetic treatment by Great Britain of the existing differences would pave the way for the restoration of friendly relations between the two countries, and perhaps more than friendly relations.

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Yonkers to Vote on P. R. and Manager.—Yonkers, a city of 135,000 on the Hudson River immediately adjoining New York City on the north, will apparently have the distinction of being the first city to act under the new Armstrong-Desmond-Miller city home rule law which allows New York cities to amend their charters by direct petition and popular vote. Petitions have been circulated by the Yonkers City Manager League for a charter amendment calling for a council-manager form of government with a common council elected by proportional representation at large on a nonpartisan ballot. It is expected that the required signatures numbering 10 per cent of the last gubernatorial vote will have been secured and the petitions filed with the common council before this department appears in print. The council can then take its choice between putting the amendment on the ballot this fall or being forced to do so in the fall of 1938 by the presentation of an additional 5 per cent petition. A vote this fall is expected.

The amendment is well drafted to accomplish its purpose. Its P. R. provisions are copied almost word for word from those of the new New York City charter under which a city council will be elected this fall. The quota is fixed at ten thousand and the city will elect a number of councilmen determined by dividing ten thousand into the total valid vote cast for the common council and taking the nearest odd number. On the basis of recent elections this will result in a council of seven or possibly five.

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Toledo Enemies of P. R. Try Again.—A sufficient number of signatures to force a special election having been filed, the city council of Toledo has set September 21st for a referendum on a charter amendment whose main purpose is the abolition of P. R. and a return to the ward system of election. The amendment would also make the director of law elective and "strengthen" the civil service by making a city official pay the back wages of a discharged employee out of his own pocket if it was finally determined he had discharged the employee improperly.

This is the second referendum attack on the Toledo charter since it was adopted in 1934, the first having been an unsuccessful attempt to repeal it before it went into effect. Special attacks on P. R. after its adoption are usual and understandable, since those who profited by the special privileges of the old system cannot be expected to give up without a struggle, but so far only two out of seventeen such attempts in this country have been successful (or one out of nine if only those referenda are counted in which P. R. was not bound up with other issues).

A fuller account of the Toledo situation will be found on page 425.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Schenectady Bureau of Municipal Research.—The bureau's work during the past year may be summarized under the following captions:

Public instruction. Studies of school management policies revealed a decline in services rendered to children in the face of an increase in funds available per pupil, which have risen from $131.77 in 1929, to approximately $143 per pupil in 1937, as against an average of about $90 per pupil in thirty-three comparable cities located in northeastern states on which the figures are available. To secure further comparative data helpful to Schenectady, representatives of the bureau visited other cities that have been able to maintain or increase school services to the pupils in the face of a downward trend of unit funds. There is evidence that this work is already helping to improve educational services and to bring a better return on the school dollar. School enrollment, present and future, as influenced by the downward trend of birth rates, has been reported on, setting in motion public forces that stopped a $500,000 proposed extension to an old high school that in a few years will not be needed. This study helped also to hold up for further review a proposal for a $1,000,000 non-academic high school, pending a study now being made by the bureau of vocational high school needs.

Public safety. A review of probation work was made. Budget studies for safety economies covered all divisions. Heating and fuel studies brought about a 35 per cent reduction in costs of a new installation at the fire headquarters and are being used as the basis of studies of heating other public buildings, of which there are some forty owned by the city and county.

Public works. Highway lighting was reported on to county authorities and in several newspaper articles. The municipal housing project was the subject of a staff report that is now before a special bureau committee for consideration before publication. Budget studies covered all divisions of the public works department.

Public health. The most extensive venereal clinic in the United States, according to the size of municipality, has been set up in Schenectady County. A bureau report on this institution was followed by a reduction in some of its costs.

The tuberculosis sanitarium's proposed $200,000 extension, in the face of a downward trend in prevalence of the disease, was the subject of a short report.

Budget studies covered all city health work.

Public welfare. In relief matters the bureau has been inactive during the past year. It is now preparing, however, to issue a report on recent trends and costs.

All-department studies. This year the bureau made the most complete budget studies in its history, due in large measure to the increasing experience gained by the bureau year by year in city operations. A series of nineteen newspaper articles were run showing specifically where cuts could beneficially be made. This helped to stimulate taxpayer interest which resulted in a $365,000 budget cut.

Election practices. In studies of election matters the bureau has probably come closer to the roots of governmental ills than in any of its other work. It is in the practical operations of the party committees that most of these ills are bred. One report shows that 140 city jobs are held by 94 Republican committeemen or members of their families out of the 154 who compose the city committee, on which the councilmen are dependent for party endorsements in running for re-election. This restricts the independence of both councilmen and committeemen in performing their respective duties.

Suggested improvements and economies in election administration were treated in two reports, one giving pictures of polling places rented and possible free quarters in city-owned buildings in the same districts. These have been followed by a request of the council to the city clerk to recommend changes. Most of the renting will probably be dispensed with this year, with the possibility next year of re-districting at a saving of about 25 per cent in election costs.

A report on the operations of the county election commissioners has been prepared, but has not as yet been edited for publication.

Purchasing. Contractual practices of the city in large purchases and construction have been covered in this year's work. The bureau's reports on the purchasing of trucks and fire equipment would have been libelous if not true. The reports were sufficiently well documented, however, to permit newspaper use in complete form.

A bureau report on the construction practices of $200,000 worth of water main extensions, with photographs, was credited in political circles with helping to bring about a change in city managers, which resulted in the appointment of a professionally trained man as city manager.

Civil service. The bureau's years of reporting on civil service conditions has culminated this year in a request by the city council to the state civil service commission, which has supervisory powers over local commissions, to investigate the numerous charges of irregularities.

General Administrative Practices have been summed up in periodical reports on the trends in quality of city government. The idea has been to inform bureau members and the public briefly of the situation.

State legislation has called for increasing attention by agencies concerned with local administration which in first analysis are wholly dependent on the state for their powers. This need has become accentuated in recent years due to the trend toward centralization of governmental powers.

The bureau has had a very active legislative committee for two years. This committee has had a good effect upon state legislation and has conveyed educational benefits to its thirty-five members. It has also helped to stimulate citizen work for better government in other parts of the state.

Information about other bureaus has been the subject of two reports designed to better acquaint our five hundred members with governmental research operations.

Summary. In output of work and in some of the results obtained, the staff looks back on the past year as the most satisfactory of the last six, and possibly of the whole ten years of existence of this organization.

ABBETT PULLIAM, *Director*

*

Citizens' Bureau of Milwaukee.—The bureau is committed to the program of simplifying local government by transferring one service after another to the county government. Fortunately, the county is practically coterminous with the Milwaukee metropolitan district.

Since January 1, 1937, the county park commission has taken charge of the operation and maintenance of all public parks within the county with the exception of eleven acres still owned by a village. Seven towns, cities, and villages have donated their park lands, debt free, to the county. The main donor was, of course, the city of Milwaukee.

The original survey pointing out the need of a unified park system in Milwaukee County was made by the Citizens' Bureau in 1932. The bureau actively urged the favorable approval of the park transfer voted upon in the city of Milwaukee at a referendum held April 1936. A member of the staff served on a committee of nine supervisors, aldermen, and citizens appointed to carry out the many details involved in the actual transfer.

The Citizens' Bureau claims a large share of credit for this consolidation and believes that the park system will be administered by one master plan to the benefit of the entire community.

One of the benefits resulting from the park merger is the unification of police administration in the city of Milwaukee. The city park board had maintained its own police system. The common council was prevailed upon to merge the two police forces.

A permanent contribution to the political, social, and economic knowledge of this community was made in the publication of *Metropolitan Milwaukee, One Trade Area Burdened with Ninety-three Local Governments.* The booklet was prepared on behalf of the joint committee on consolidation by the Citizens' Bureau with the assistance of WPA employees. It was published as part of the proceedings of the county board.

The Citizens' Bureau is endeavoring to promote the unification of hospital administration by transferring the city's isolation hospital to the county. The county government now administers 95 per cent of the public hospital facilities within Milwaukee County.

A study of voting machines for the city of Milwaukee has been completed. The information will be given to a special common council committee which was appointed in June 1937.

A comprehensive survey of all the relief programs operating in Wisconsin and in Milwaukee County for the six-year period of 1931 to 1936 inclusive was prepared in pamphlet form. This is the first composite picture of the outdoor relief, work relief, and institutional care provided by the local, state, and federal governments ever compiled for this area.

At the request of the county clerk, the Citizens' Bureau prepared the first annual report published by the county board. The accomplishments and work of the county government will henceforth be published each year for the information of the public.

At the request of the chairman of the finance committee of the common council, the Citizens' Bureau compiled a book giving all budget items for the years 1925 to 1936 inclusive. Copies were distributed to the members of the finance committee enabling a comparison by years for all budget items in the preparation of the 1937 budget.

The Citizens' Bureau was instrumental in securing a county appropriation of $120,000 for 1936, and $230,000 for 1937, to maintain Milwaukee streets. For many years the county board has confined the expenditures of state aid for highways to improvements in the towns of Milwaukee County, although the Wisconsin law permits the use of state aid on highways located in cities and villages as well.

Fourteen bulletins on current public problems were mailed to the subscribers of the Citizens' Bureau, and released to the newspapers. Five of these reports were in the form of letters addressed to the Milwaukee members of the 1937 Wisconsin legislature, presenting the fiscal problems of Milwaukee County as to debt, property taxes, contributions to state revenues, and receipts of state aid. The Citizens' Bureau activities were the subject of fourteen newspaper editorials.

The coöperative efforts of many public officials and civic groups made the foregoing community progress possible.

John Davis, *Director*

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The Institute of Local Government of the Pennsylvania State College.—The Institute of Local Government of the Pennsylvania State College, established by the president and the board of trustees in July 1936, is set up with three main objectives. First, it is to develop a curriculum for majors in the public service. In doing this it is to integrate the abilities and facilities of a number of departments and schools on the campus that have an interest in the field of Pennsylvania local government. It also aims to bring the student who desires to enter the public service a number of contacts with persons engaged in practical municipal administration throughout the commonwealth. This is to be done by means of lecturers from the outside and by field trips.

Another aim of the institute is to be of service to municipal officials throughout the commonwealth in developing a program of in-service training. A third objective is the gradual development of a program of research in municipal affairs of Pennsylvania.

During the past academic year a curriculum for public service majors was established. In November a meeting of municipal finance officers of Pennsylvania was held under the auspices of the institute and one hundred and twenty-eight attended. This spring a two-weeks' traffic officers' training school was held with fifty-three officers in attendance. The latter was in conjunction with the safety division of the International Association of Chiefs of Police and other national and state agencies interested in traffic safety. Plans for a program of research will be developed shortly.

A unique and important feature of the Institute of Local Government is the advisory committee, made up of members of the college residence and extension faculties who are directly concerned with certain phases of local government. There are representatives on this committee from the departments of political science, economics, architecture, landscape architecture, civil engineering, education, mineral industries, agricultural economics, and the extension services.

H. F. Alderfer, *Executive Secretary*

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Bureau of Governmental Research of New Orleans.—The situation in New Orleans is quite different from that found in several other cities where bureaus of governmental research have been in existence for a long time. Here in New Orleans, with a relatively new bureau, we find much to be done in the field of budgeting, purchasing, personnel, assessment procedures, police and fire organization, etc. In answer to this crying need the bureau has prepared and submitted to the proper authorities memoranda outlining modern methods in the following subjects: preparation of a long-term capital improvement program, budget procedure, centralized purchasing, operation of a storeroom, relocation of police stations and a central jail, and tax calendar. In addition there is in progress similar memoranda on assessment procedures and the relocation of fire stations.

The biggest study now under way is the one dealing with real property assessments. This project is divided into three parts the first of which has been completed. They are: (1) the assessment of land, (2) the assessment of buildings, and (3) the administrative organization of the assessing office. The procedure in making this study is first to discover whether or not assessments are uniform. The bureau felt that it would be in a tactless position should it complain about an antiquated assessment procedure without at the same time having sufficient evidence to show that non-uniform assessments resulted. It is a relatively simple matter to prescribe the remedy, but a much more difficult matter to convince the officials that a remedy is needed. Thus, the major part of our report is a comparative analysis of assessments reduced to a unit basis by standard formulas.

About 1,050 parcels of property have been sampled in order to get a cross-section of assessments in the city. Field trips have been made with the assessors to see exactly how they arrived at their values. Although our report is incomplete, yet the coöperation of the assessors leads us to believe that methods of assessing used in other cities may be sufficiently attractive as eventually to have them installed in New Orleans.

After Mayor Maestri adopted a centralized purchasing ordinance drafted by the bureau, it aided him in locating and establishing a storeroom to be operated by the purchasing agent. A simple procedure was worked out showing the necessary records to control the supplies and to charge the proper departments for withdrawals from the storeroom.

The new tax calendar is, perhaps, the largest accomplishment of the bureau. Now, tax anticipation loans are no longer needed as taxes are collected on time and when needed. Upwards of $400,000 annually in interest will be saved.

The executive secretary, Harold A. Stone, has resigned to accept a position on the staff of the Social Science Research Council. He was the bureau's first executive secretary, having been with the organization since its start in May 1933. Sherman S. Sheppard has been selected as his successor. Mr. Sheppard has been assistant director of the Boston Municipal Research Bureau. Thus, the work of the New Orleans bureau will continue uninterruptedly in the hands of one professionally engaged and trained in public administration.

Harold A. Stone, *Executive Secretary*

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Wisconsin Taxpayers Alliance.—"We will never have good government until the people take an active interest in government affairs," might be listed as a motto of the Wisconsin Taxpayers Alliance, for it is toward this end that the alliance has been directing its activities for the past five years.

This policy was reviewed this spring by the board of directors who voted to continue the organization as a purely fact-finding, nonpolitical, research, educational body for another five-year period. The more popular work of the alliance maintains the following formula:

The research staff has under way continually a number of research projects relating to some phase of government and taxation. As these are completed, or as some phase of a project is completed, it is condensed and published in the *Wisconsin Taxpayer,* the official publication which is issued every two weeks.

These studies are edited for popular reading and presented with illustrative charts and pictures. Each issue also contains statistical tables and often a technical discussion for the more profound readers. Recently published studies are those pointing out that two out of every five dollars in property taxes fall upon residential real estate, an analysis of the delinquent tax situation in various counties, and a study of the school debt situation in eighty-seven cities showing that these cities have reduced their debt for school purposes by 33 per cent since 1931.

The relief question continues to be a major problem in Wisconsin government. A study by the alliance in May showed that relief costs in 1936 were the highest in the history of the state and that, although manufacturing employment had increased 46 per cent since the trough of the depression, the number of relief cases had increased 50 per cent in the same period and relief costs had risen 266 per cent.

Since the legislature was in session this year, much of the work of the alliance consisted in analysis of the various bills, including the state budget bill, which were before the legislature. As has been its policy during each legislative session, the alliance published each week a summary of all bills which were to be heard before legislative committees during the following week. The schedule of alliance publications for the remainder of the year includes a summary of 1937 legislation, a revision of a book called "Taxes" which lists all state and federal taxes levied in Wisconsin. This revision will include all changes made in tax laws by the 1937 session of the Wisconsin legislature and of the United States Congress. A third publication to be issued some time this fall or winter will be a popular book outlining major government and tax problems in Wisconsin.

A large amount of the time of the research staff is devoted to answering individual requests for information and help. These are largely technical in character and many individual taxpayers and a large number of public officials have sought the expert assistance of the alliance staff in solving their problems. It is the policy of the alliance not to attack public officials but to coöperate with members of the town, village, and county boards, city councils, and members of the state legislature in aiding them to help solve government problems. The alliance has found that most public officials are eager to coöperate with a fact-finding organization which attempts to get taxpayers to realize that no government has anything to give away.

Paul Reynolds, *Director*

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Woonsocket (Rhode Island) Taxpayers Association.—The association has just issued, in bulletin form, the results of an exhaustive study of the city's bonded debt and financial set-up.

The association presents a chart which shows principal and interest payments due on the city's debt until maturity of the final bond in 1978 and also shows sinking fund installments due until maturity of this phase of the debt in 1947. Another chart shows the set-up of debt at the present time, giving details of the time of loan, interest rate of each issue, sinking fund credits, and net debt.

In showing that Woonsocket will have cut its bonded debt by approximately $3,215,000.00, or 37 per cent, by the end of the present year, the association points out the benefits of a "pay-as-you-go" policy and shows how a continuance of this policy will result in added dividends in the years to come.

The bulletin points out that seven issues have been retired since 1931, there now being thirty-one bonds on the city schedule.

Milton Chapin, *Director*

LETTERS FROM MEN IN ACTION

(Continued from Page 424)

voting for a government that is interested in them. Maybe some did cry when Tony was defeated, but they voted for Roosevelt just the same. I have said before that "human nature is a constant, and people generally will act in accord with what they believe to be their interest."[1] The problem is, will the people come to feel that the New Deal "service to individuals" type of government is no longer needed or is costing more than it is worth; can the Republican party provide a program that will more adequately than the Democratic program meet the needs of the people? And do the Republicans have the actor who can present their program as most compelling theatre? It is obvious that the limit of attention is the limit of democracy, and therefore this more compelling program of the Republicans must be presented in so vivid and meaningful a manner that it will capture the favorable attention of His Majesty, the Sovereign Voter.

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[1] J. T. Salter, *Boss Rule: Portraits in City Politics,* p. 253 (New York, 1935).

EDITORIAL

(Continued from Page 416)

representatives of one state demand patronage, staff appointments will have to be divided between the political machines of four states. The thirty thousand dollars would disappear like nickels in a slot machine!

Fortunately, New York State and New Jersey have long been committed to the merit system in the selection of employees; indeed, they probably lead the country in the satisfactory administration of state civil service. It is of the utmost importance that this policy be extended to a vital interstate agency such as "Incodel."

We are perhaps witnessing the launching of what may come to be a new level of government and administration. The evils of our present governmental agencies may all be summed up in one phrase, "the spoils system." In the interstate field, we are starting from scratch. Let merit be the foundation of the new system. The horse has not yet been stolen.

RECENT BOOKS REVIEWED

EDITED BY ELSIE S. PARKER

TAXATION

Exemption of Homesteads from Taxation. By J. M. Leonard and Rosina Mohaupt with the coöperation of the National Youth Administration. Detroit, Detroit Bureau of Governmental Research, Inc. (Report No. 144), 1937. 34 pp.

This study is a presentation of the results of homestead exemption laws as applied in the various states which have enacted them, together with a discussion of the possible effects of such a law on the state of Michigan. The pamphlet contains a short bibliography of material on which the study was based and a table summarizing existing homestead exemption laws.

*

The Gasoline Tax in the United States, 1936. By Finla G. Crawford. Chicago, Public Administration Service (Pamphlet No. 54), 1937. 50 pp. Fifty cents.

This pamphlet is the fifth edition of Professor Crawford's monograph on the gasoline tax. It contains some new statistical data and brings up to date information contained in previous editions.

*

Ohio's Classification Tax Law. By John A. Zangerle and Walter L. Bethel. Cleveland, 1937. 23 pp. (Apply to authors.)

A study of the difficulties of joint state and local administration of the Ohio classification tax law by the auditor and deputy respectively of Cuyahoga County, Ohio.

*

State Tax Legislation in 1937. By Mabel L. Walker. New York City, Tax Policy League, 1937. 15 pp. Twenty-five cents.

A survey of the legislation enacted by the forty-three state legislatures meeting in 1937, arranged according to the types of tax involved.

*

Survey of Exemption of State Instrumentalities from Federal Taxation (from McCulloch v. Maryland to Brush v. Helvering). By David Hottenstein. Washington, D. C., Institute of Municipal Law Officers (Report No. 20), 1937. 9 pp. mimeo. Fifty cents.

*

Collection of Taxes in New York State Cities. By Edward D. Meacham. Albany, New York, New York State Conference of Mayors and Other Municipal Officials, Bureau of Training and Research (Publication No. 37), 1937. 85 pp. mimeo.

*

Public School Tax Management in Texas. By Eugene G. Wilkins. New York City, Bureau of Publications of Teachers College, Columbia University, 1937. 107 pp. $1.60.

*

Assessment Principles and Terminology. By National Association of Assessing Officers. Chicago, Public Administration Service, 1937. 174 pp. $2.00. (Also separately printed in paper covers as **Assessment Principles,** 102 pp., seventy-five cents, and **Assessment Terminology,** 42 pp., fifty cents.)

*

The Taxpayers' Analysis of Semi-Annual Yields of Those Revenues Administered by the Department of Finance and Taxation of the State of Tennessee. By Tennessee Taxpayers Association (Research Report No. 28). Nashville, 1937. 27 pp. mimeo.

This study presents a comparison of ten revenues, analyzed by counties, for the last six months of 1936—after installation of an efficient accounting system which established a control over assessments, collections, refunds, and delinquencies for each class of state revenues—with those of the same period in 1935.

*

FINANCE

Borrowing for Highways. By Edna Trull. New York City, Dun & Bradstreet, Inc., 1937. 103 pp. Two dollars.

This study of highway finance covers the entire period of highway construction in this country from the chartering of the first turnpike company—to operate the Philadelphia and Lancaster Turnpike—and the beginnings of state borrowing for highways down to the present time when the money borrowed for such purposes represents nearly half the total debt of the several states. It is the first really adequate treatment of state highway finances to appear and as such represents a splendid contribution to the field.

The study is well illustrated with charts and statistical tables.

*

State of Tennessee, Reorganizing the Debt Structure. By Norman S. Taber & Company, New York, 1937. 64 pp. Fifty cents.

*

Controlling Local Indebtedness. A report of the Committee on State and Local Taxation and Expenditures. Washington, D. C., Chamber of Commerce of the United States, 1937. 24 pp.

*

City of New York, Financial Study. By Lazard Frères & Company. New York, 1937. 62 pp.

*

Bonded Indebtedness, City of St. Louis. By Governmental Research Institute, St. Louis, 1937. 14 pp. mimeo.

*

Financial Statistics of New Hampshire Counties, Cities, and Towns. By Mansfield & Company. Hartford, Connecticut, 1937. 13 pp. mimeo.

*

Cost of Local Government in Oklahoma for Fiscal Year Ending June 30, 1936 (with comparisons to previous years). By Division of Research and Statistics, Oklahoma Tax Commission. Oklahoma City, Okla., 1937. 114 pp. mimeo.

*

The Financing of New Haven's Permanent Improvements. By New Haven Taxpayers, Inc. (Report No. 16). New Haven, Connecticut, 1937. 12 pp. mimeo.

*

CIVIL SERVICE

A Merit System for Pennsylvania. Report submitted to Governor George H. Earle by Pennsylvania Federation for the Merit System, second edition. Philadelphia, 1937. 117 pp.

The Pennsylvania Federation for the Merit System is composed of a large group of statewide organizations interested in better government. Its report to the governor, submitted at his request, includes a discussion of the present civil service system in Pennsylvania and in a number of other states as well as recommendation of specific provisions for a sound merit system for Pennsylvania.

*

Government Careers for College Graduates. By Leonard D. White. Chicago, Civil Service Assembly of the United States and Canada (Pamphlet No. 8), 1937. 22 pp. Twenty-five cents.

The story of the experiment of the United States Civil Service Commission in the recruitment of non-specialized liberal arts college and university graduates for the classified civil service of the federal government.

*

Civil Service Testing for Social Work Positions. By Lewis Meriam. Chicago, Civil Service Assembly of the United States and Canada (Pamphlet No. 9), 1937. 7 pp. Twenty-five cents.

In this pamphlet the author stresses the need for oral interviews and the importance of properly evaluating training and experience in the testing of social workers for administrative and technical positions with public welfare agencies.

*

Training for the Public Service: A Bibliography. By Dorothy Campbell Culver. Berkeley, Bureau of Public Administration, University of California, 1937. 52 pp. Twenty-five cents.

*

HOUSING

Housing Officials' Yearbook 1937. By National Association of Housing Officials. Chicago, Public Administration Service, 1937. 213 pp. $3.00.

This book should prove a valuable reference source to those interested in the problem of housing. It contains numerous articles by well known authorities in the housing field and also includes a glossary of housing terms, a bibliography on housing, and a directory of housing agencies.

*

Studies of Community Planning in Terms of the Span of Life. By Catharine F. Lansing. New York, New York City Housing Authority, 1937. 43 pp.

The problem of housing stated in terms of the human life span with suggested solutions. The pamphlet is well illustrated by numerous graphs and tables.

*

Comprehensive Housing Legislation Chart. Prepared by the Subcommittee on Law and Legislation of the Central Housing Committee, with the assistance of the Bureau of Standards and the National Resources Committee. Washington, D. C., National Emergency Council, 1937. 20 pp.

A summary of the status of legislation affecting public and private housing as of March 1, 1937, arranged by states and subjects in columnar style.

*

Must We Have Slums? Edited by Charles Yale Harrison. New York, New York City Housing Authority, 1937.

Reprinted from a series of articles on housing by Paul Sann and Malcolm Logan which recently appeared in the *New York Post.*

*

LIBRARIES

The Library Trustee. By Anna Gertrude Hall. Chicago, American Library Association, 1937. 193 pp. $2.35.

Members of library boards will find this discussion of great assistance in meeting the many problems which beset them. Chapters are devoted to the library board, its powers, operation of the library, the library's money, its staff, and the trustee. Appendices include suggested readings for trustees, by-laws for library boards, standards for public libraries, etc.

*

The State Library Agency, Its Functions and Organization (second edition). Statement by the American Library Association Library Extension Board. Chicago, American Library Association, 1937. 34 pp. mimeo. Thirty-five cents.

TOLEDO FORGES AHEAD

(Continued from Page 427)

who has long been an active figure in local politics. Associated with her is a brilliant array of former office-holders who insist loudly they are not "seeking a return to political favor" but are interested solely in good government as represented by the ward plan of electing councilmen. The only other name prominent in the picture is that of the mysterious Mr. William E. Cahill, former Ku Klux leader in Toledo.

One of the queer quirks in the new proposal which defies analysis is the popular election of the director of the law department and the fixing of his salary by charter. Under the proposal he would be the only elective officer other than the members of the twenty-one-man council. Many have been the speculations concerning who is being groomed for this post.

In any event, although those behind the proposal maintain they are not driving for the abandonment of the manager plan, it is quite clear, from general experience with ward politics, that the amendment, if adopted, would mean the emasculation of the manager plan in Toledo. It is only fair to say that the problem of representation in Toledo has been causing some comment due to the failure of the Polish element in the population to elect one of their number under P. R. It was a fluke that they didn't for they lost a place by a handful of votes.

It is to be hoped that Toledoans understand the situation well enough to vote down the proposed amendment.

There are many reasons why the proposal is unsound. So that he who runs may read, let us conclude by listing a few of them:

1. Since apparently the only genuine complaint against the present charter in Toledo is that based upon inadequate representation of a large minority group in the population, the abandonment of election at large by proportional representation would mean the abandonment of the only form of election which guarantees groups representation in direct proportion to their voting strength.

2. Return to the old ward system would mean a return to a system which has been thoroughly discredited by American municipal experience. Over a period of time, it is impossible under the old ward system to prevent:

   a. Log rolling between ward representatives;

   b. The development of a petty point of view in the council which prevents careful consideration of public policy from the standpoint of the city as a whole;

   c. A continuous and frequently unjustifiable increase in the cost of government because of the ambition of each ward representative to "get something" for his own ward;

   d. Complete domination of the city council by any political party which can control a majority of the wards, regardless of whether this means a majority of the votes in the city as a whole;

   e. Political interference with competent administration because of the introduction into the city government of the evil spirit of spoils politics.

3. The popular election of administrative officers has proved itself to be unsound. Authorities on political science are in complete agreement on this point. There are many reasons for this, the most obvious one being that the public has no way of passing upon the technical competence of men for posts where a high degree of training and experience is required. Such a post is that of the director of the law department. It should clearly remain an appointive office. A change here does violence to the whole spirit of council-manager government.

4. One of the proposed amendments is novel—and also vicious. It provides that when an employee is dismissed and later reinstated by the courts, the salary of the dismissed employee during the interim *shall be paid by the officer who dismissed him*. The certain effect of this provision will readily be appreciated: responsible officers of the government will be impelled to weigh the necessity of personnel changes against their own liability under the charter. The amendment must necessarily force Toledo's public service to a lower and lower level of efficiency.

5. Another of the proposals would require a *monthly rating* of the efficiency of all classified employees. This is wholly impractical. It simply can't be done without confusion and resentment by employees. To attempt it is to defeat the sound advantages of a rating system.

6. Finally, the present charter of Toledo represents the best form of municipal government that has so far been devised. The voters of Toledo are being asked to abandon this form by a politically-minded group after a year and a half of the most economical and efficient administration Toledo has ever had.

NATIONAL MUNICIPAL REVIEW

OCTOBER ✦ 1937

New York Tackles Constitutional Revision

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ROWLAND EGGER

The National Government Surveys Urban Life

JOHN BLANCHARD

Toledo's Manager Government and Labor

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NATIONAL MUNICIPAL LEAGUE

THE LEAGUE'S BUSINESS

The League's Conference.—An outline of the tentative program of the League's forty-third annual conference on government at Rochester will be found on the page opposite. The roster of speakers is not yet completed, but among those who have accepted the League's invitation to address the convention are the following: Dr. Harold W. Dodds, president of Princeton University and of the League; C. A. Dykstra, former city manager of Cincinnati and now president of the University of Wisconsin; Samuel Seabury, former counsel of the Joint Legislative Committee to Investigate the Administration of the Various Departments of the City of New York, whose investigations resulted in the resignation of Mayor Walker and other city officials; Henry M. Waite, former city manager of Dayton, at present with the Works Experiment Project of the National Youth Administration; John H. Humphreys, secretary of the British Proportional Representation Society; Clarence E. Ridley, director of the International City Managers Association; Frank C. Moore, secretary of the New York Association of Towns and a member of the New York State Commission for the Revision of the Tax Laws; H. E. Goddard, city manager of Niagara Falls, Ontario; Leyton E. Carter, director of the Cleveland Foundation; Horace L. Brittain, managing director of the Toronto Bureau of Municipal Research; H. M. Buttenheim, editor of *The American City;* and Pierre Boucher, secretary of the Montreal Metropolitan Commission.

* * *

Baldwin Prize Essay Contest.—The subjects for the 1938 Baldwin prize essay contest, which closes May 15, 1938, have been announced as follows: Population Trends and Changing Land Values as They Affect Planning in (any given city, county or region); Problems and Consequences Resulting from Federal Aid to Normal City Functions During the Depression; Problem of Developing and Sustaining Effective Citizen Reform Organization in (any given city or county); Automobile Trailers—The Problems They Bring to the City; Effect of Tax Limitation Laws upon Local Government in (any given state, city or county); Reorganization of County Government in (any given state); Optional vs. Mandatory Legislation as a Means of Improving Local Government; Problem of Overlapping Governments in (any given state or metropolitan area); Operation of the City Manager Plan in Small Cities; Operation of the Manager Plan in (any given city or county); Operation of Centralized Purchasing in (any given city, county or state government); Appointment of City Managers for a Definite Term. (Most managers serve at the pleasure of the city council—would a definite term be more desirable?); Effect of the Depression on Local Government in (a particular area); Nonpartisan Elections in American Local Government; Precedents for Single-House Legislatures (as recently adopted in Nebraska); Present Status of the Town Meeting as an American Institution; Record of the City Manager Plan During the Depression; Effect of the Short Ballot Movement Upon the Operation of Democracy in America; Problem of Unemployment Relief in (any given state, city or county).

The League will be glad to send further information regarding the contest to those interested.

* * *

Planning Exhibit Opens.—The National City Planning Exhibit, in which the League is participating, was opened to the public on October 4th, at the Hall of Education of the American Museum of Natural History, under the auspices of the Young Men's Board of Trade of New York. The exhibit was organized with the collaboration of the American City Planning Institute, American Society of Planning Officials, American Civic and Planning Association, and the National Municipal League. Technical preparation was under the direction of the Municipal Art Society of New York.

A special feature of the exhibit is a tremendous cartographic presentation of New York City—the greatest model of its kind ever constructed.

Representatives of many interested groups attended the opening, which culminated a year of work on the part of the national and local committees.

Howard P. Jones, *Secretary*

LETTER TO THE EDITOR

To the Editor of the National Municipal Review:

The Review for September 1937 has an article by Mr. C. Stewart Peterson on "Balancing State, County, and City Budgets," which I have found most interesting.

It may be that Mr. Peterson has studied the situation in this state, although his article does not seem to mention Alabama. The Fletcher budget act was passed in 1932 and went into effect the following year. It not only provides for a balanced budget but operates in fact so that expenditures are adjusted to revenues. One result is the absence of any floating debt by the state. The state school system is also very closely controlled financially.

W. Barrett Brown, *Fiscal Consultant,*
Office of State Treasurer of Alabama

Forty-third Annual Conference on Government

Hotel Seneca, Rochester, New York

November 17-20, 1937

National Municipal League, National Association of Civic Secretaries, and Proportional Representation League participating.

TENTATIVE PROGRAM

(Since the list of presiding officers, speakers, and leaders of group sessions is not yet complete, names are omitted from the program below. Numerous acceptances from leaders in the field of government have already been received and the list will be published in a revised program to be mailed shortly to members and others interested.)

Wednesday, November 17th

9:30 A.M. Committee Meetings
  1. Committee on Revision of Model City Charter
  2. Committee on Model State Personnel Law
  3. Committee on Stabilization of Municipal Finance
  4. New York State Committee of National Municipal League

12:30 P.M. Luncheon—Subject: THE CONSTITUTIONAL CONVENTION OF 1938 (Sponsored by New York State Committee of National Municipal League)

2:30 P.M. Committee Meetings continued

6:00 P.M. Dinner (Sponsored by National Association of Civic Secretaries)
  Subjects:
    THE MERIT SYSTEM IN CIVIL SERVICE
    CITY PLANNING—OPPORTUNITIES FOR CIVIC SECRETARIES
    TEAMWORK AMONG LOCAL CIVIC ORGANIZATIONS
    THE FINANCING OF CIVIC ORGANIZATIONS
    REPORTS FROM RECENT CITY ELECTIONS

6:30 P.M. Dinner—Council of National Municipal League
8:00 P.M. Annual Business Meeting of National Municipal League

Thursday, November 18th

10:00 A.M. General Session—Subject: PROGRESS IN PUBLIC MANAGEMENT

12:30 P.M. Luncheon—Subject: LOCAL SELF-GOVERNMENT: THE ISSUE OF THE HOUR

3:00 P.M. Group Sessions:
  1. Reorganization of County Government
  2. New York Constitutional Convention
     (Sponsored by the New York State Committee of the National Municipal League)
  3. Problems of Municipal Finance
  4. Problems of Manager Cities
  5. Planning, Zoning, and Housing
  6. Efficient Organization of Education

7:30 P.M. Annual Banquet

Friday, November 19th

10:00 A.M. Group Sessions:
  1. Planning, Zoning, and Housing (continued)
  2. Problems of Metropolitan Areas
  3. Tax Limitation
  4. The Voter and the Constitution
     (Sponsored by the Special Committee on the New York State Constitutional Convention of the National Municipal League)
  5. Citizen Organization to Support Good Government
  6. Problems of Law Enforcement

12:30 P.M. Luncheon

3:00 P.M. General Session—Subject: STATUS OF RELIEF PROBLEMS

Saturday, November 20th

10:00 A.M. General Session—Subject: THE PROBLEM OF REPRESENTATION IN GOVERNMENT
  (Sponsored by Proportional Representation League)
  National Association of Civic Secretaries, continuation of discussion of subjects listed for November 17th

12:30 P.M. Luncheon—Subject: PROPORTIONAL REPRESENTATION
  (Sponsored by Proportional Representation League, National Association of Civic Secretaries, and City Club of Rochester)

Congratulations Toledo!

TOLEDO has done it again. For the third time in three years Toledo citizens have gone to the polls and chalked up a victory for good government. In November 1934 they voted to adopt the manager plan together with a small council elected by proportional representation—the Cincinnati plan. A year later, before the charter had actually gone into effect, they defeated an attempt to discard it and return to their old mayor-council form of government. And now, at a special election held September 21st, by a vote of 37,035 to 19,211, Toledo citizens defeated an attempt to destroy the effectiveness of their good government by the substitution of a council of twenty-one, elected by wards, for the present efficient nine-man council elected by P. R. The continuance of good government under the capable leadership of City Manager John Edy is assured.

Toledo's experience, like that of Cincinnati, is a strong argument for citizen organization. Without citizen organization the city in all probability would not have adopted the manager plan to begin with. And without such organization, it could not have defended what it had already secured. Congratulations to the Toledo City Manager League and to its secretary, Allen H. Seed, Jr.—until recently civic secretary of the City Club of New York—who organized and directed the campaign. Congratulations also to the young people who built up a city-wide ward and precinct organization and conducted a house-to-house canvass of the voters, and to the many other workers who helped to make the victory possible.

Editorial Comment
◆
October, 1937

NATIONAL MUNICIPAL REVIEW

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New York Tackles Constitutional Revision

NEW YORK STATE will hold a constitutional convention next April. Every twenty years, according to a provision of the New York constitution designed to keep the document abreast of the times, the question must be asked the voters, "Shall there be a convention to revise the constitution and amend the same?" The voters answered in the affirmative last year, delegates are being elected this fall, and the convention will meet in the spring.

The present constitution of the Empire State was adopted in 1895 but it is far from that same document now. Although the amendment provisions are not especially lenient—a proposed amendment must be approved by two sessions of the legislature having different senates before submission to referendum—sixty-five amendments have been made in the last forty years. The constitution presented to the voters by the last convention twenty years ago was rejected but practically every recommendation made by that convention has since been hammered into the constitution by approval of these amendments, one by one.

And thereby hangs a moral, or at least a practical hint for the coming constitutional convention. A majority may readily be composed of a lot of minorities. There are so many groups in the population who have what might be termed a vested interest in various provisions of the constitution that a complete new constitution, which considerably alters existing provisions, is almost certain to be rejected. Each group votes against it because its toes are stepped on somewhere along the line. The old fable of the bundle of sticks applies here in reverse. Break up the combination of minorities, present each issue to the voters separately so it may be considered on its merits, and the particular little minority may find itself lost in the crowd.

On the whole, New York State's constitution is in fair shape, far ahead of the constitutions of most of the forty-eight states. It is questionable how much by way of improvement, particularly in the field of local government, may be obtained from the convention. Thus, both city and county home rule have been welded into the constitution by amendment, the first in 1923 and the second in 1935. True, there are desirable refinements which could be made but none of them assumes the proportions of a major issue. There is likely to be as much of a fight over keeping good provisions in as there is over the insertion of new matter.

One thing, however, the convention should do, not only for New York State, but for the nation. It should serve to focus attention clearly and sharply on the major issues of a period of transition. It may be assumed that the calibre of personnel at the New York convention will be about as good as can be produced in the state by the political party system. The tradition of the last convention, with Elihu Root in the chair, can hardly be disregarded. The pros and cons of the major issues of our time should have a healthy airing, with able advocates on both sides.

Discussion in press and forums is already beginning. The governor has appointed a special committee to prepare helpful data and background materials for presentation to the convention. The state committee of the National Municipal League has appointed a special committee on the state constitutional convention, for the purpose of educating the public on major issues. This committee, incidentally, is already off to a good start. S. Howard Evans of the Payne Fund is chairman and some forty college and university presidents in the state as well as the heads of most of the statewide civic organizations are serving as members of the committee.

What are these major issues? Developments between now and next spring will determine them in part but they are already beginning to emerge out of the smoke of past legislative combats and the fire of current critics. Among them can certainly be listed:

1. Reorganization of the judicial system in order to provide for more efficient organization of the administration of justice, and, if possible, reduce the cost of litigation. One suggested method, especially on the criminal side, is the organization of a department of justice headed by the attorney-general. Some of the recommendations of the judicial council are also pertinent.

2. Reorganization of the state administrative departments. In addition to the suggested department of justice, the creation of a department of business and commerce has been suggested. Other topics are the powers of the comptroller over state finances apart from his functions as the auditing officer, and the creation of some means of supervising the incurrence of municipal indebtedness.

3. City and county home rule. Reorganization of the system of local government along the basic lines of proper land utilization is being urged. Revision of the home rule amendment in order to provide some better check on the emergency clause and to give municipalities relief from so-called mandatory expenditures is clearly desirable.

4. Proportional representation. A topic well worthy of consideration in view of the results of the plurality system of election throughout the state and the manner in which reapportionment has been handled, is the extension of proportional representation for the election of all representative bodies in the state.

5. Budget methods and procedure. As indicated in the governor's executive budget message in January 1937, our present budget procedure, although essentially sound, may well be improved in detail. The question of requiring a capital outlay budget by constitutional provision also warrants study.

6. State aid. The question of the extent, method, and purposes of state aid to municipalities warrants careful and discriminating study.

7. Taxation. The general subject is so vitally important that it is certain to be carefully considered with particular reference to the proposals for real estate tax limitation.

8. Labor relations. With the whole subject of relations between employer and employee in a state of flux there will unquestionably be many proposals in the convention coming under this general heading. One from employers is to subject labor unions to the same sort of publicity and accountability imposed upon business corporations with regard to political activity and the use of their funds.

9. Social welfare. The further expansion of governmental activity in this field is certain to receive consideration at the convention.

If the New York State constitutional convention serves merely as an educational medium to clarify public thinking on these vital questions, it will have been worthwhile.

Current Trends in Municipal Finance

Re-establishment of a normal basis of operations and elimination of short-comings of fiscal policy and administration necessary for sound future of local government.

FREDERICK L. BIRD

Director of Municipal Research, Dun & Bradstreet, Inc.

ONE must be a confirmed pessimist not to agree that the greatest business depression in American history is over. The *New York Times* business index for the week ending August 14, 1937, stood at 110.9, the highest since the week ending September 14, 1929. In the realm of municipal finance, moreover, revenue collections are almost back to normal, and it is the exceptional rather than the average municipal budget which is not in balance in the current fiscal year.

But the ending of a major business depression, like the close of a great war, does not automatically restore normal conditions or re-establish a peace-time basis. And some of the problems of restoration are likely to be fully as baffling as those of the crisis itself.

In no place in our social structure is this more apparent at the present time than in the field of local government. The great majority of our cities have weathered the depression so successfully as to discredit the forebodings of the prophets of disaster. But many have been forced to resort to emergency makeshifts, many have merely postponed a settlement of their depression liabilities, many are still functioning on what might be termed a wartime basis, and most have had to rely on outside aid to an extensive degree.

Most municipal budgets may be in balance again, whether by good management, or fortuitously, or by some roundabout expedient; but municipal finance has been over the bumps in no uncertain way. And some of this depression financial experience has been both unpleasant and disconcerting, to say the least—not merely because of the immediate hardship and confusion involved, but because of its disclosure of weaknesses in fiscal policy and administration which far antedate the onset of the depression, and which were responsible in measurable degree for the excessive financial vulnerability to depression conditions of many municipal corporations.

If local self-government is to have a safe and sound future, therefore, there are two major steps in the field of finance which demand the promptest kind of consideration and action. One is the re-establishment of a normal basis of operations. The other is the elimination of at least the most glaring of the shortcomings of fiscal policy and administration revealed by the test of recent difficult years.

By a return to a normal basis of financial operations I mean a return to the sound policy of paying for at least all current expenses from current revenues. This involves the immediate discontinuance of deferring current responsibilities through the refunding of maturing bonds and through the financing of operating deficiencies with long-term bonds—practices now almost chronic with certain cities. These distasteful expedients, in some cases absolutely unavoidable in the worst years of the depression, have now, except in certain very special circumstances, merely become the hokum by which politicians delude the taxpayers about the cost of government.

BORROWING FOR RELIEF

Such a return to normalcy, unfortunately, must also recognize that the emergency cost item of welfare is becoming a formidable permanent addition to current expense. Borrowing for relief had much justification as an emergency measure, but no municipality which values its solvency dares continue it as a regular means of meeting an obligation which promises to be with us indefinitely. What has been an abnormal expenditure is in the process of becoming a normal one and taxes must be levied to meet it. The adjustment is complicated by lack of knowledge of what the total bill will be and what share of it local government will be forced to assume, but it is significant that the local obligation in 1936—$205,000,000 or about 8 per cent of the total—was still met partially by borrowing.

The need of removing the more serious shortcomings of municipal financial policy and administration before we forget their recently embarrassing impact, has already been mentioned. By bringing these shortcomings so conspicuously to light, the depression did us a left-handed good turn, and one must be very skeptical of the future of local self-government if we fail to take advantage of these disclosures.

Certainly municipal finance has recently become a more general object of popular, professional, and scholarly interest than ever before. Some of the more visionary theorists, in fact, have become so obsessed with the inadequacy of arrangements as they exist that they have launched forth into designs for revolutionizing tax systems, regrouping governmental areas, replanning whole communities, and making municipalities little more than local administrative appendages of the state or even federal government. Constructive thinking of this nature is of vital importance in the long-term scheme of things, but in the meantime commonplace attention must be devoted to oiling the wheels of local government as we now have it. Sweeping and fundamental reforms are usually long in arriving, but practical and limited amendments can often be made to produce immediate advantage.

There is no sure formula for depression-proof municipal finance. But indications are that the application of a few relatively simple principles, generally known and advocated for many years by governmental researchers, would so stabilize the finances of most municipalities as to make them much less vulnerable to future economic depressions than they were to the last one.

The logical approach to the identification of these principles is a critical examination of the depression record for the purpose of ascertaining the factors which made for financial stability as well as those which led inevitably to trouble. To indicate the wide range of municipal fortunes and misfortunes upon which such an analysis can be based, suppose we attempt a rough classification of the depression financial histories of several hundred cities, touching merely the broadest aspects.

All these cities had their financial problems, needless to say, but considered relatively their records present a truly amazing variation. If they are placed rather arbitrarily in five categories they sort themselves out thus.

1. Cities which were sound financially at the beginning of the depression, held that position undeviatingly throughout the depression period, and are in as good or better financial condition at the present time. These records are marked by the prompt and regular meeting of all fiscal obligations, uninterrupted strength and liquidity of current accounts, satisfactory control of debt, and adequate maintenance of services. They include such cities as Baltimore, Binghamton, Cincinnati, Denver, Los Angeles, Richmond, San Francisco, and Springfield, Massachusetts.

2. Cities which were sound financially at the beginning of the depression, met with temporary but not serious setbacks, effected adjustments by some appropriate device, and rapidly re-established themselves on their former satisfactory basis, or better. This group is represented by such cities as Des Moines, New Haven, and Pittsburgh.

3. Cities which were not so well prepared financially to meet the depression, often because the weakness or inadequacy of some fiscal policy had not been recognized, which encountered moderate to serious financial difficulties, but as a result of some type of minor or major operation are in sound condition now or at least in better shape than they were in 1929. Representatives of this classification range all the way from New York City to Port Arthur, Texas, and include such communities as Dallas, Jersey City, Norfolk, and Yonkers.

4. A fourth group comprises cities which were in fair or even good financial condition on the eve of the depression, but which have muddled along more or less unconstructively and are still in a position of financial uncertainty. Here we have Boston, Buffalo, Cleveland, Philadelphia, and Seattle, to mention some of the larger cities.

5. Finally there are the cities which were ill-prepared for critical times or were special victims of circumstance, met with major financial difficulties, and were forced into methods of rehabilitation which will circumscribe their financial operations for many years to come. These run the gamut from Detroit, with its remarkably rapid economic recovery, through such cities as Atlantic City and Camden, New Jersey, and Knoxville and Chattanooga, Tennessee, to still unreadjusted Asbury Park and the rather hopelessly involved Asheville, North Carolina.

POOR FINANCIAL ADMINISTRATION

The varying impact of the depression on the economy of these cities does not offer a sufficient explanation of the wide variation in their financial records. Part of this variation can only be attributed to the quality of financial management. In no other way can we account, for example, for the epidemic of financial distress which swept over the municipalities of the wealthy state of New Jersey, while in the neighboring state of Pennsylvania, with its highly vulnerable steel and coal industries, municipal financial difficulties were relatively minor in nature and extent.

The most general administrative cause of municipal financial troubles in recent years has been the deadly triangle of defective revenue estimates in the budget, defective administration of the general property tax, and the tendency to maintain a hand-to-mouth financial existence. Recent experience has demonstrated that budgets cannot be balanced in a crisis if revenue estimates are perfunctory or visionary, if some of the so-called revenues depended on are only very slowly realizable or are even not ultimately collectible, if tax collection administration is lax and not well synchronized with the fiscal year, and if there are no revenue reserves as a safety cushion.

Before the depression the estimating of budgetary revenues by municipalities was often a perfunctory matter. The common method was to determine expenditure requirements for the year, estimate miscellaneous revenues, and set the tax levy to supply the difference. This worked fairly well in normal times when people paid their taxes at about the same rate of promptness from year to year. Collections of back taxes each year could be more or less depended on to offset the current tax delinquency of the year. Or bank loans could be negotiated or warrants issued, to be retired with reasonable regularity as the money came in.

With the onset of the depression, however, anticipated revenue became a more uncertain quantity and the methods used by municipalities in estimating and collecting income began to receive more critical scrutiny from creditors. Whereas formerly short-term credit had often been too easy to secure, and its use had thus been induced when no real need existed, in depression years it became too difficult to secure when there was dire necessity for it. Responsibility for the resulting embarrassment of many cities was divided. Aside from the general limitations imposed by depression conditions, it rested partly with cities which had "paper" budgets, defective tax bases, and weak revenue collection systems, and partly with banks and other creditors accustomed to making loans without adequate knowledge of municipal fiscal systems in general and without careful investigation of each situation.

Illustrating the more spectacular consequences, largely of these factors, are the virtual receivership for New York City under the bankers' agreement of 1933, the protracted financial embarrassment and extensive forced refunding of Chicago and its overlapping units of government, and the city of Newark's $16,000,000 of funding in 1934 and 1935 to disentangle its involved current account.

UNSOUND POLICIES STILL CONTINUE

What is the situation at the present time? A very large majority of the latest municipal operating statements and balance sheets look strong. Many of them are strong, but many more are somewhat misleading because they reflect the support of abnormally large collections of back taxes which cannot continue indefinitely. A not insignificant number show the results of fundamental changes in fiscal policy which engender more confidence in future stability. But there is still evident that wide range in current financial status which discloses not only the continuation of traditional bad practices but the adoption of some new ones as well, and there is ample illustration of unsound policies which spell trouble for the next depression, or sooner.

By way of illustration, Boston closed its last fiscal year with the cash in its current account over $26,000,000 short of covering its current liabilities, and with these liabilities only narrowly covered by ultimately realizable assets. The administrative explanations included property assessments vulnerable to attack, failure to impose penalties for nonpayment of taxes till near the close of the fiscal year, ineffective collection of delinquent taxes, and inadequate overlays and reserves.

The city of Chicago, to cite another outstanding example, depends on property tax levies which are at least 15 per cent uncollectible, yet the courts permit an allowance for loss and cost of less than 5 per cent. The city of Seattle, at the close of last year, had a cash deficiency in its operating account of over $4,000,000, not entirely covered by receivables and primarily due to the tax rate limit which the thrifty citizens of the state of Washington have imposed upon themselves.

Typifying the cities at the other extreme, Oakland, California, an industrial city of over 300,000 population, closed its 1936 fiscal year with $2,700,000 of current fund cash in excess of liabilities—enough to run on for nearly half a year. Again, the city of Los Angeles has not borrowed a nickel for operating purposes, even in anticipation of taxes, for the past thirty years.

Now then, it may be stated as an objective that a city's current account should always be kept so satisfactorily liquid that it will temper the effects of any business crisis or special local emergency. What are the mechanics for attainment?

BUDGETS ON A CASH BASIS

One good answer is cash basis operations—revenue estimates each year based on actually anticipated cash receipts and any cash deficiency at the close of the year provided for in the budget of the following year. The state of Kansas cash basis law of 1933 and the New Jersey optional act of 1934 are good examples of satisfactory procedure. Cash basis budgets demand efficient tax collection administration and supply pressure for it. They are not depression-proof when cities are particularly vulnerable to economic fluctuations, but they can help to lighten the impact of hard times.

Budgets constructed on an accrued revenue basis, however, can be made to function with at least equal effectiveness. The theory on which this budget-balancing procedure is based is perfectly sound, namely, that taxes actually levied constitute revenue, even though the full cash receipts do not come in within the immediate fiscal year. But the practice is sound only when the revenues actually depended on are ultimately realizable and when they are not so slowly realizable as to be in the nature of frozen assets. The security of temporary loans and the ability of cities to avoid embarrassment through deficiencies in cash are materially dependent on these two factors.

In assuring a continuously sound current position, two automatic procedural steps should be required. First, taxes three years old, or at the most four years old, should be written off or reserved. This not only minimizes dependence on antique and doubtful assets in budget balancing and short-term borrowing, but it helps to preserve the confidence of creditors and to promote efficient tax administration. Second, a revenue reserve should be built up, either gradually by appropriation or at one time by some special financial transaction such as a bond issue, until it attains that proportion of a year's tax levy which constitutes an adequate margin of safety. The proportion should be determined by a city's record of economic and financial stability. Such a reserve will make a city's operations self-financing in normal times, minimize borrowing for operations in business depressions, and maintain a sound basis for securing short-term credit.

Let me cite three illustrations of cities which are now strengthening their financial future by these methods. New York City's new charter provides both for the writing off of taxes four years in arrears, and for the building up of a revenue reserve, at the rate of 2 per cent a year, which ultimately will amount to a third of the tax levy.

New Rochelle, New York, a city of

60,000 population, has amended its charter to build and maintain a surplus large enough to cover all delinquent taxes during years of poor as well as good tax collections. This has already been accomplished by large tax reserves placed in the 1934 and 1935 budgets. The result—at the close of 1933 the city had a cash deficiency of $1,500,000, at the close of 1936 it had a cash surplus of over $600,000 and additional current assets of $2,700,000.

Atlantic City, seriously in default for several years, had a net cash deficiency in its current account at the end of 1933 of nearly $11,000,000, placing it more than a year behind. Not only has the current account been stabilized in the process of curing the default, but by 1941 the city will have a surplus reserve of over $4,000,000, about 75 per cent of its probable maximum tax levy, which must be maintained through 1972. This should permit the complete self-financing of all delinquent taxes during good collection years and offset to a large extent the city's vulnerability to swings in the economic cycle.

STATE LOANS

One further aid to maintenance of stable fiscal operations should be mentioned as particularly important for serious consideration. This is provision for state loans to municipalities for operating purposes in periods of emergency. They should be made contingent upon satisfactory local administrative performance standards, and probably should be limited to the amount of tax titles taken or purchased by a municipality, as in the instance of the very useful arrangement by the state of Massachusetts.

Before leaving this subject of how to maintain sound current accounts, one disquieting qualification is necessary. Municipalities operating under drastic tax rate limitations are precluded from adequate planning and action. They are restricted to ingenious expediency until such time as impractical rate limits have fully demonstrated their uselessness and are abandoned.

Along with some cities' failure to control their current account balance sheets has been their failure to control debt. Even a badly unbalanced budget can be rectified in a reasonably short period of time; but a city which suddenly comes to with a jolt and finds itself with a debt which it cannot possibly, or at least conveniently, repay, is caught in a dilemma from which it may not be able to extricate itself for a generation.

A great many defaults have been cured and a great many others averted by the use of refunding bonds to postpone payment. But the actual scaling of municipal debt has been relatively negligible, and excessive debt loads have merely been projected into the future. Many refunding plans have been very ingenious, and some have been highly constructive, but others paid too little attention to the requirements of sound debt structure and largely ignored the fact that a city cannot devote its resources exclusively for the next thirty or forty years to the payment of present debt, but must be able to meet new capital requirements. Thus the rather extensive postponement of debt obligations during the past few years is one of the heritages of the depression which will complicate the fiscal affairs of some cities for many years to come.

The fact that a goodly number of communities, operating under what are ostensibly adequate debt limitation laws, have been able to accumulate debt loads out of all reasonable proportion to capacity for payment, indicates very conclusively the futility of many debt limitation provisions. Various proposals for more effective limitation devices have been forthcoming, such as a borrowing ratio based on a nine-year assessed valuation average in order to prevent fictitious write-ups of borrowing margin, substitution of ratios related to budgets or to some index of wealth, measurement of interest charges instead of principal, etc. Some of them have definite merit; but the fact remains that any scheme of borrowing limitation, to be effective, must concern itself with the total local public debt of the community, irrespective of whether it is the obligation of a single unit or of a half dozen overlapping units. My own notion is that the maximum limit for tax-supported over-all debt should not exceed 10 per cent of assessed valuation at 100 per cent of full value, and that bond issues above an 8 per cent limit should require the special approval of an appropriate state agency.

Consideration should also be given to one more general principle. This principle may be summarized in the statement that a municipality's financial policies and practices must be conditioned by its economic characteristics. It has always been accepted as a matter of course that a city's taxing and spending and borrowing must bear some reasonable relationship to the level of its wealth. But municipal finance has never taken fully into account its appropriate relation to the other wide divergencies in community resources.

We have cities with a well rounded economy of industry, trade, and finance, diversified industrial cities, one-industry cities, mining towns, commercial centers and shipping centers for both specialized and diversified economic areas, suburban residential communities, state capitals, resort cities, and even real estate subdivisions incorporated as cities. Additionally, we have cities with populations growing rapidly, stationary, and even declining. They do not all respond alike to a rising business cycle, and certainly they do not follow the same economic pattern through a severe business depression.

What might constitute a safe budgetary or borrowing policy for Hartford, Albany, Cincinnati, or San Francisco, with their high degrees of secular and transitory stability, would be less safe for Pittsburgh, Detroit, Akron, or Altoona, and still less so for a resort city, a commercial center in the dust bowl, or a factory town dependent on a single steel plant.

Income from taxes in some cities during the depression never fell below 90 or 95 per cent of the year's levy, in others it fell to 60 per cent or even lower. The first class had little need of revenue reserves, while the second type was almost helpless without them.

A stable, well rounded city with a high resistance to economic fluctuations can borrow extensively with impunity. But an automobile city, for example, with wide cyclical swings in income and employment, needs pay-as-you-go financing when it is on the up-grade, and should avoid an even, high level of debt service over a long period of years.

These are merely introductory suggestions. The depression has served to drive home the fact that standards in municipal finance cannot have a rigid, universal application but must be tempered by varying economic realities from city to city. The comparative study of community social and economic characteristics must be more closely integrated with the work of specialists in municipal finance.

Editor's Note.—Address delivered August 31st before conference of Governmental Research Association, Ithaca, New York.

Hinky, Dinky, Parlez-vous?

International organizations meet in Paris to discuss housing, planning, and other timely subjects.

ROWLAND EGGER

University of Virginia

IN SPITE of the handicap of its formidable cognomen, the *Quinzaine Internationale des Administrations publiques, de l'Urbanisme, et de l'Habitation* which held forth at Paris from July 5th to 19th, last, provided an occasion which amply repaid the efforts of the thirty or so Americans who crossed the Atlantic in order to attend. This series of conferences, sponsored by the International Union of Local Authorities,[1] the International Institute of Administrative Sciences,[2] and the newly amalgamated International Federation for Housing and Town Planning[3] was notable for many reasons. In the first place it was the initial public manifestation of the collaboration which has been built up between the Union and the Institute as a result of the work of the Joint Committee on Planning and Coöperation.[4] In the second place, it provided the occasion for the formal unification of the International Federation for Housing and Town Planning (London) and the International Housing Association (Frankfort). In the third place, it illustrated very effectively the fundamental wisdom of bringing the radically different approaches of administrators, lawyers, technicians, planners, and citizens together in common conference for the purpose of talking and thinking about world-wide administrative problems. Finally, the substance of the reports and discussions was itself well worth the attention of the participants.

MILK

The topics on which the International Union of Local Authorities assumed the responsibility for preparing reports were the sanitary control of the urban milk supply and the abatement of atmospheric pollution. This comparative international review of legislation and administrative practice, of technical and scientific methods, and of public opinion regarding two of the most perplexing problems of modern metropolitan life afforded a concrete illustration of the essential unity of contemporary public administration, as well as contributed significantly to the equipment of those who attended these sessions.

Perhaps the most significant fact adduced from the discussion of sanitary regulation of the milk supply was the enormous difference between American and European conceptions of "sanitary." To those who have undergone the rather drastic experience of housekeeping on the continent, the lack of 99 44/100 per cent purity in milk and other edibles is not news. And it may be true, as Europeans often insist, that the super-sterility and purity of American methods in such matters take a good deal of the adventure out of life. At the same time, opposition to pasteurization at this late date does fall rather oddly on most American ears.

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[1] For a description of the Union and its work see E. Vinck, "The International Union of Local Authorities," in this REVIEW for September 1936, p. 483.

[2] Edmond Lesoir describes the Institute in the REVIEW for September 1936, p. 487.

[3] For details of this consolidation see the present writer's "The Brussels Public Administration Center," in *Public Management* for September 1937, p. 266.

[4] The Joint Committee and its work is described by Louis Brownlow, "Planning and Coöperation Among International Organizations," in this REVIEW for September 1936, p. 480.

This is not to say that in regard to problems of sanitary distribution some European jurisdictions have not developed techniques and methods well worth emulation. In general, however, there is little in the European situation to engender dissatisfaction with certified, grade A, pasteurized as we know it. The apparent indifference of both public authorities and people to the quality of milk, excluding sanitary and pasteurization problems, is striking. The lack of regulations concerning central collection and supervision, transport and sale is even more striking. The fact seems to be that with certain notable exceptions milk distribution and marketing is still small scale business which is not in a position economically to provide the safeguards which we regard as essential. It is, too, more than a little amusing to be shown "model" dairy installations which, while quite satisfactory, are still a good many jumps behind that of the ordinary agricultural experiment and demonstration station in this country.

ATMOSPHERIC POLLUTION

The picture with regard to atmospheric pollution and its abatement gives less cause for smugness. While to many it might, with reason, appear that an international conference on the *abatement* of atmospheric pollution is a pretty flagrant contradiction in terms, the national reports and the discussion of Dr. Humery's general report constituted a significant contribution to the "documentation" of smoke abatement and to the inspiration of more effective measures for the eradication of this scourge of metropolitan living. Space prohibits any considerable discussion of the findings of these reports, but municipal administrators will be gratified to know that authentic information, which has been subjected to the critical scrutiny of state and local officials, dealing with conditions of enormous diversity, on every practical aspect of atmospheric pollution, will now be available within the confines of a single volume—the Union's report on this topic. Planners, public health officers, toxicologists, physicists, chemists, and meteorologists will find an unequalled summary of scientific developments in each country which, through the techniques of the several relevant disciplines, have sought to throw more light on the origins and effects of atmospheric pollution. General administrators will find concise summaries of legislative principles and administrative practices, with frank discussion of why legislative principles have not regulated and why administration has not abated pollution.

While it appears that a good deal more headway has been made in many European centers in securing the use of smoke-reducing devices and appliances than in many parts of America, it is still clear that nowhere has the pollution problem been met in any adequate fashion. From the national and general reports and the discussions, it seems that one of the major impediments to effective suppresssion of atmospheric pollution is the lack of administratively applicable definitions or standards of pollution. Most of the regulations on the subject leave such large discretion with the administrative authorities in determining the nuisable state of atmospheric pollution that administrators have not cared to launch themselves upon the perilous seas of vigorous enforcement. The consensus of opinion seems to indicate that more specific legislation, plus an intensive cooperative campaign among local authorities, industrialists, building constructors, oil and gas producers and distributors, apartment owners and operators, private householders and others, with the full sanction of an aroused and informed public opinion behind it, will be necessary to meet effectively the growing problem of contamination.

RENTS FOR THE WORKING CLASSES

The joint congress of the International Federation for Housing and Town Planning and the International Housing Association prepared comprehensive reports upon and discussed three major topics: the financing of houses and rents for the working classes, vertical versus horizontal construction, and national planning. It is difficult to say just how much the reports and discussions concerning low-cost housing construction and rentals contributed toward the development of any principles regarding this problem other than ringing the changes which have occurred in policy in the several countries in recent years. To a rank outsider, with a profound respect for the social desirability of high-standard housing, who is sufficiently genuinely democratic to dislike the terminology and a good deal of the ideology behind such expressions as "houses for the working classes," much of the solemn nonsense in general circulation seems quite like the ancient argument concerning the relative priority of the hen or the egg. It is exceedingly curious and unexplainable why people with sound social instincts in these matters still seem morally obligated to talk about housing finance in the lingo and with the mental clichés of the private housing racketeers.

The national reports on this question contain a great deal of material summarizing legislation and administrative practices regarding government loans, tax remissions, and other phases of paper-shuffling and sleight-of-hand by which governments and individuals are still attempting to stave off for a little while longer a frank facing of the problem of the people's housing. There are also discernible in some quarters tendencies toward the abandonment of the "self-liquidating" shibboleth which has surrounded and eventually perverted much of the housing construction hitherto undertaken by, or under the patronage of, public authorities. But the report gives no answer to the question, "Why, if government may use the taxing power for the redistribution of wealth, is it then so very sinful for it to distribute that wealth according to real need rather than on the basis of need more than adequately tempered with ability-to-pay?"

HORIZONTAL VERSUS VERTICAL BUILDING

In the discussions regarding horizontal versus vertical construction the conferees were, in a manner of speaking, on old, familiar ground. When this question is finally settled, a good many planners and housers in Europe will have been done out of their hardiest conversational perennial. In general, it seems safe to say that if land cost is excluded the experience of this country and of Europe indicates that ordinarily a temporary point of diminishing returns is reached after six stories of height for apartment buildings, which is, however, overcome after the building reaches about twelve stories. But American and European ideas regarding vertical construction are hardly comparable; when a European speaks of horizontal versus vertical construction he usually is comparing the relative merits of a five- or six-story walk-up apartment house versus detached or semidetached houses of one or two stories.

Many of the reasons advanced in the debate regarding the non-economic advantages and disadvantages of the different types of construction seemed, to the present writer, to be mainly reiterative of a firmly grounded prejudice in many quarters against multiple-dwelling houses. Most of the planners and housers seem, in this regard, to be suffering from bad cases of split-personality—they talk single-family dwellings and build apartments. They insist that the people demand the privacy of single-family dwellings—and they still build apartments.

NATIONAL AND REGIONAL PLANNING

The discussion of national and regional planning was highly circumscribed by the ideology of most of the reporters, and by the general insistence upon the value of the physical planning idea as against the much broader conception of national planning in this country and France. However, as Sir Raymond Unwin pointed out, "Planning . . . includes the essential elements of design, the creation of enhanced values through the arranging of a new system of relations whether in the social, economic, or aesthetic spheres of interest, and the making of a plan which can express and communicate the new order and enable it to be realized." It is further pointed out that planning has been started on a neighborhood basis and eventually extended to the entire city and perhaps to the entire region: from which it is concluded that a regional or national plan is a coördinated group of local and regional plans which, it is insisted, must have more than the mere semblance of unity but which should be carefully protected against overcentralization.

A little fundamental theorizing upon the difference between central and local functions might have illumined this problem. Does national planning really deal with the same stuff as local, regional, or even state planning? It is, of course, true that local planning deals mainly with land use and the preservation of values incident to different types of necessary land use in the locality. State planning likewise deals with land use, but in an entirely different sense and from a considerably different point of view; likewise, many important aspects of state planning are concerned either not at all or only incidentally with land use in its local planning connotation. National planning deals, in certain important aspects, although by no means primarily, with land use, but from still another viewpoint which is somewhat different from that of state planning, and its major problems are far removed from land-use planning as it is commonly understood. And any conception which attempts to make a state plan a carefully coördinated series of local plans, and a national plan a coördinated series of state plans simply does not fit the facts. This does not mean that there is not an imperative necessity for close coördination, nor does it minimize the dangers of over-centralization in planning research, but to assume that organically a state plan is built entirely upon local plans, or a national plan upon state and regional plans, does grave violence to the objectives of state and national planning as they are understood in this country. Furthermore, the argument about the dangers of over-centralization are irrelevant to American planning in the light of our changed conception of the rôle of all planning agencies; there is more than a little probability that we would have had better plans better executed if even local planning boards had been recognized from the beginning to be auxiliary technical staff agencies rather than control bodies.

THE LAW OF PLANNING AND ZONING

The conferences of the Institute of Administrative Sciences contributed an important consideration—that of the practical legal and regulatory problems involved in getting plans off paper and into practice. It is impossible in this short note to do more than mention in passing the topics discussed. These included the general philosophy of planning legislation, problems and principles involved in the codification of planning laws and regulations, procedure for establishing municipal and regional plans, zoning and servitudes established in pursuit of planning projects, planning regulations and property rights, planning of public ways, planning and public defense, the financing of operations anticipatory to the establishment of plans, planning and the courts. The most important general observation which proceeded from these discussions was that in virtually every country the apparent conflict between private rights and planning had obscured, in greater or less degree, in both legislation and jurisprudence, their fundamental harmony—which could be readily observed in the great planning projects which had been executed in times long past.

THE BRUSSELS PUBLIC ADMINISTRATION CENTER

Not directly related to a discussion of the Paris conferences themselves, but of vital importance to the organizations which sponsored them, is the recent creation of the International Public Administration Center at Brussels. Pursuant to the plan developed for more effective collaboration among international organizations by the Joint Committee on Planning and Coöperation, of which Mr. Louis Brownlow was chairman, the Union and Institute are now established in modern common quarters in the Shell Building, 47 Cantersteen, Brussels, Belgium. They have established between themselves the *Services Communs,* through which they pool their personnel and library resources, as well as a certain amount of their financial strength, for the performance of certain of the major functions of each organization. As a result of the decision taken at Paris to amalgamate the London and Frankfort international housing and town planning organizations, the new International Federation for Housing and Town Planning will be added to the *Services Communs* at the beginning of 1938. Thus has been established a coöperative venture which it is believed will contribute worthily to the more effective exchange of experience in administrative affairs at the international level.

The *Services Communs* are under the direction of a board composed of Mr. Louis Brownlow, Mr. Edmond Lesoir, and Senator Emile Vinck. Four major sections have been organized: information and communications, directed by Senator Vinck; research, headed by Daniel Warnotte; publications, guided by Léon Wouters; and conferences and external relations, directed by Réne Didisheim. The joint reference library is administered by Georges Ysewyn. In addition, common secretarial and finance services are maintained. A competent staff of Belgian, English, and German nationals, in addition to national collaborators sent by Poland and several other countries, numbering about fourteen in all, assures close liaison with the thirty countries affiliated with the constituent organizations. On one front, at least, international coöperation can move forward.

The National Government Surveys Urban Life

Urbanism Committee of National Resources Committee makes first comprehensive report on cities and their needs.

JOHN BLANCHARD

National Municipal League

THE first attempt of the national government to examine urban conditions in this country has recently been completed and is now available in *Our Cities—Their Role in the National Economy,*[1] a report of the Urbanism Committee[2] to its parent body, the National Resources Committee.

Although in 1909 the Country Life Commission, reporting to President Theodore Roosevelt, explored the problems of rural living, no similar survey has been made, until the current one, of the problems growing out of the phenomenal progression of this country toward urbanism. The federal government has obviously interested itself in agriculture and rural life as contrasted to its almost complete lack of concern about cities. Whatever relations the federal government had with them were carried on exclusively through the states and it was not until the crisis that came to focus in the recent depression that the national government began to recognize the need for dealing directly with cities as political, economic, and social entities. Even then the federal-city relations were and still are casual and incidental.

Meanwhile this country was undergoing a tremendous and rapid urban growth. In little more than a century it had jumped from a primitive agriculturalism to a complex, industrial urbanism. The pace and extent of urbanization during this period are revealed by a few facts and figures from the committee's report.

From a mere half dozen cities in 1790, no one of which contained more than fifty thousand people, the number of cities or urban places increased to 3,165 in 1930, of which number ninety-six are metropolitan districts—in each one of which there are at least one hundred thousand inhabitants. Urban population shot up from 3 per cent of the total population in 1790 to 26 per cent in 1880, and from there to more than one-half of the total population (56.2 per cent) in 1930. Within a single generation, 1900 to 1930, the urban population of the United States grew from thirty million to nearly sixty-nine million, about 130 per cent.

Cities rapidly became the concentration points of industry and commerce until in 1929 of more than three thousand counties in the United States, the 155 which contain the larger industrial cities embraced 74 per cent of all industrial wage earners, 81 per cent of all salaried employees, 65 per cent of all the industrial establishments, and 80 per cent of the value added to manufactured products. The counties containing the eleven largest cities accounted for over half of the total wholesale trade, while the ninety-three cities over one hundred thousand reported over three-fourths of the total.

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[1] Washington, D. C., Superintendent of Documents, 1937, price fifty cents (paper cover).

[2] C. A. Dykstra, *chairman,* Louis Brownlow, Arthur C. Comey, Charles W. Eliot 2nd, Harold D. Smith, M. L. Wilson, Louis Wirth, and L. Segoe, *director.*

This whole process of urbanization was hastened by the mechanization of agriculture which released a substantial part of the population from agricultural labor; by the demand for cheap labor which resulted in a vast immigration from foreign lands; while steam, electricity, and great technological triumphs contributed to the amazing growth of the modern city.

First real concern over this swift and dramatic transition from a predominently rural to a predominently urban society manifested itself in the present administration. And from this new awareness of the significance of the city in and of itself as a force that shapes and directs our national life and destiny, there resulted the inquiry of the Urbanism Committee into the facts, processes, the problems and prospects of urban America as they are related to national life and policy.

The committee examines much that is familiar ground to the student of municipal government. It gives consideration, for example, to the many problems which resulted from the lack of planning and excesses of a young nation caught in the fever of expansion. The scars of these ill-advised days are apparent even today in uncoördinated transportation systems, narrow streets, inflated land values, blighted slum areas, etc.

While the problems inherited from this period in our national history might seem enough in themselves to command the attention of governments for some time, new and vital forces are at work which may result in the fundamental reshaping of our cities and which create new and pressing problems. It is in an examination of these forces and new trends, and in consideration of their national implications, that the report of the Urbanism Committee acquires real interest and importance.

The automobile and cheap power appear as powerful agents encouraging population movement from the large central cities into suburban areas and satellite towns, as influencing the rise of industrial establishments at the margins of metropolitan regions, and as stimulating the growth of retail subcenters in the suburban areas.

Increase in the use of automobiles has meant death to many villages and even intermediate towns whose raison d'etre ceases with the development of rapid transportation and large, easily accessible cities.

Electricity, moreover, in its numerous uses in such forms as the radio, telegraph, telephone, etc., gives promise of having at least as great an influence during the twentieth century as steam did in the nineteenth.

Under the impulsion of government interposition and economic necessity, modifications in our transportation system have begun to take place. Shifts in location to cheaper land, coördination among transportation agencies, terminal consolidation, the use of freight containers and fast pick-up and delivery service are but symptoms of a new era and hold important implications to cities now hamstrung with many terminals, congestion, and uncoördinated transportation systems.

POPULATION DECLINING

Probably one of the most significant trends of recent years is the nation's declining birth rate. The reproduction rate in cities has been declining so rapidly that only in the smaller cities are women bearing enough children to reproduce the present population. Thus with unity (1.0) indicating that a community had enough children in 1930 to maintain its present numbers, it is found that the index for cities of over 100,000 population is 0.76, that for cities of 25,000-100,000 is 0.88, that for cities of 10,000-25,000 is 0.97 and for the smallest cities, 2,500-10,000, it is 1.04. For rural communities the index is 1.54, but even this represents a considerable decline in the rural birth rate.

With foreign immigration practically cut off and most cities unable to maintain a birth rate sufficient for even a stationary population, the only possible sources of recruitment become the rural areas. And since the rural areas now constitute considerably less than half of the total population and the rural birth rate is also declining, a marked slowing down of the growth of cities is impending. That this is already taking place is apparent from the figures of migration from the rural areas to the city. In the decade 1920 to 1930, there was a net movement of six million people away from the farms. The net migration from rural areas to the cities from 1930 to 1935 is estimated at only six hundred thousand, a decline due in part to the depression.

The decline of population growth, especially in cities, according to the Urbanism Committee's report, "presages a number of important changes in the economic and social life of cities and of the nation as a whole. Thus we may look forward to a lessened need for the expansion and to an increased need and opportunity for improving the quality of public utilities, of welfare and educational institutions, and to much more gradual changes in land values. With slower growth and lessened migration the urban population will tend to be older, and consequently the power and interests of older people will probably bulk larger in the future. It will be easier to provide education for the young, a fact already evident in many cities through the lessened enrollment in elementary schools; and there will be an increasing need for adult education. The scarcity of children and youths will correspondingly call for greater concern about the conservation of these potential human resources."

Since the urban population will increasingly be recruited from the economically and culturally least favorable rural areas where for the time being the reproduction rates remain high, it becomes imperative to take measures to minimize the added burden upon urban institutions, relieve the social and personal costs of readjustment, and prevent adversely affecting the quality of urban stock. Such measures, the Urbanism Committee believes, would seek to equalize the opportunities between country and city through a more equitable distribution of public revenues; they would envisage the improvement of rural populations through closer attention to the problems of farm tenancy and the resettlement of ruralites now existing on submarginal land.

METROPOLITAN COMMUNITIES

Of no less importance as evidence of a shifting urban pattern is the extraordinarily rapid growth of satellite towns and rural communities within the orbit of metropolitan centers. Born of an urge to escape the obnoxious aspects of urban life without at the same time losing access to its economic and cultural advantages and expedited by the more general use of the automobile, electric service, telephone, etc., this movement has become marked in recent years.

Thus since 1900 the rate of population increase has been greater in the satellite areas surrounding the large cities at the center of the metropolitan district than within the city's own limits. In the decade of 1920-1930, the central cities increased 22.3 per cent while those portions lying outside the central cities increased at about twice this rate and nearly six times as much as the non-metropolitan part.

According to the Urbanism Committee this outward movement is not a devolution or general flight from the city. It is merely redistribution of the population within metropolitan regions.

When this new phase in the growth of cities is viewed side by side with the bewildering multiplicity of authorities and administrative districts which exist in each metropolitan region, the need becomes apparent for enlargement and development of local government areas, powers, and techniques irrespective of the political boundary line. Unless this is done the committee says "the economic and social base of the city will disintegrate. For no community in a democratic society can long remain a sound functioning organism if those among its members who gain the greatest benefits from it escape from most of the obligations communal life imposes, and if those who obtain the least returns in the way of the necessities and amenities of life are left to bear the brunt of civic responsibility and taxation.

Just as people are moving into the suburban peripheries of large cities, so industry is showing a tendency toward more dense settlements on the margins of the city. Retail stores are establishing suburban subcenters. But although industries are less tied to any particular section of the country than formerly, "there is no evidence of a marked dispersion of industry from the cities into the country."

Another important trend in American industry, so far as the city and nation are concerned, is that toward larger corporate units of manufacturing, merchandising, and management. While monopoly to some extent limits the mobility of capital and so hinders desirable and efficient relocation, it also is likely to influence industrial location in a more rational direction by tending toward a more exclusive emphasis of pecuniary factors and the minimization of local pride, traditional attachment, and sentiment.

One other major trend deserves mention. Larger cities now reflect their increasing importance as commercial and service centers rather than as industrial centers. This shift is indicated in the increasing proportion of workers in large cities who are classified as white collar workers.

RECOMMENDATIONS OF COMMITTEE

Having examined the facts, problems, and major trends of urban life in the United States, the Urbanism Committee makes the following recommendations after first insisting that "it is not the business of the United States government to assume responsibility for the solution of purely local problems . . . . but it is the purpose of this inquiry to indicate some of the emerging city problems in which the nation as a whole has an interest and in which the national government may be helpful." The major recommendations of the committee follow, in part:

Since a very large proportion of the American people with low and uncertain incomes is found in the cities, since the city worker has little to fall back upon when unemployed, and because many of the most acute and persistent problems of the city cannot be solved until the fundamental issue of adequate and secure income is met, the committee urges that the efforts already made by government, industry, and labor toward the raising of family incomes and the increasing of economic security be continued and intensified. It is further recommended that the United States both study and act upon the problems of chronically depressed urban areas.

That the federal government should continue its policy of coöperation with and assistance to the social-welfare programs of urban communities.

That a section for urban research should be set up in some suitable federal agency which would perform for urban communities functions comparable to those now performed for rural communities by the department of agriculture. A clearing house of urban information should be created in the bureau of census. The central statistical board should give special consideration to the inadequacies of existing urban data.

That a comprehensive and thoroughgoing inquiry should be made by the National Tax Revision Council or other suitable agency of the entire subject of conflicting fiscal policies and taxation as practiced by the local, state, and federal governments.

DEPRESSION ASSISTANCE

The committee recommends the consideration of legislation primarily for periods of economic distress creating a federal credit agency authorized to make loans and grants under adequate legislative safeguards to local governments for the purpose of public works construction (including housing), acquisition or construction of public utilities, land purchases, etc.

That Congress should pass legislation giving advance consent and laying down the conditions under which there may be adopted interstate compacts enabling the several communities within the same metropolitan region, but in separate states, to deal jointly with the regional aspects of health, sanitation, industrial-waste regulation, etc.

That Congress establish a permanent federal public works authority which should be directly responsible for the formulation and execution of a specific and detailed nation-wide program of public works, and for the encouragement and coöperation in public works planning between national, state, and local agencies.

That immediate consideration be given to the urgent necessity of coördinating both at Washington and in the field the related services and activities performed by the various federal agencies operating in urban areas.

The serious need of raising the competence and prestige of the urban public service in various communities leads the committee to recommend that states and urban areas availing themselves of federal grants-in-aid should be expected by the federal government to conform to minimum personnel standards under the merit system in the area in which the grant is made.

Because, in the past, urban communities frequently chose or were forced by law to acquire land at excessive cost and dispose of their holdings in haste and at a loss, the committee advocates the liberalizing of the fundamental laws of the states in order to permit urban authorities to acquire, hold, and dispose of land with greater freedom and to allow a wider interpretation of the term "public use." Since opportunities for land acquisition often are best when the urban community is least financially able to make such outlays, the committee recommends that the aforementioned federal credit agency be authorized to make loans to urban communities for such public uses as low-rent housing, recreational and educational facilities.

The committee also made recommendations as to housing and slum clearance, the articulation of the national and industrial structure, transportation, planning, etc.

Toledo's Manager Government and Labor

Efficient administration of city's affairs under model charter giving labor greater benefits than it received formerly.

EDWARD A. DE ANGELO

Toledo City Council

IN PRESENTING the standpoint of labor on the campaign issues, I have no purpose other than to state frankly and sincerely how I feel about our present form of city government and the proposal to destroy it by substituting a twenty-one-man council elected by wards.

It is my solemn and considered judgment that Toledo's city manager form of government with its nine-man council elected by proportional representation, has made a worthwhile record of efficiency and of fairness to all classes. In a lifetime in Toledo I'm most proud of my part in the wise legislation and the justice and fairness of policy that have marked these last two years. I served one term as councilman from the ninth ward in the last large council, and a second term as a councilman elected at large, with the endorsement of the Central Labor Union, under the city manager form.

Speaking from my experience as a councilman under both forms of government, and as a taxpayer, it is my honest opinion that our city government, as now constituted, is the best Toledo has ever known.

Phil Murphy [the other representative of labor on the council] and myself have been called in on every conference or hearing involving labor. Sometimes we have been able to assist in arriving at a satisfactory solution, not only of city employees' problems, but of outside disputes as well. This was particularly true when Toledo was faced with a gas shutoff.

After all, the people of Toledo, both labor and capital, have a common cause as to government. They want honest, hard-hitting city officials with the ability to say "no" when "no" is the answer. We don't want yes-men, or the easy-going kind to handle the important business that has to do with municipal law, finances, and the balancing of the budget.

It is never as easy for the laboring man to pay his taxes as it is for the man of wealth, and that is all the more reason why the worker should vote for the only Toledo government that has lived within its income in the last seven years. Office-seekers who want to put over the twenty-one-man plan have a lot to say about the chamber of commerce and the wealthy men. Labor's interests are the same as those of any business man, professional man, bank-

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EDITOR'S NOTE.—The article above has been adapted from a radio address delivered by Mr. De Angelo in Toledo, Ohio, on September 7, last. That address was part of a vigorous campaign to defeat an amendment which would have changed Toledo's manager charter by substituting a twenty-one-man council, elected by wards, for the present council of nine members, elected from the city at large by proportional representation. The amendment was subsequently decisively defeated. For further details see page 500.

er, or employer when it comes to good, clean government.

Labor wants its representatives on the city payroll to get a fair whirl in wages and hours, for which each is willing to give an honest day's work. Labor doesn't want city jobs dominated by political manipulators. When a city worker goes home at night, he shouldn't have to worry about having to boost this candidate or that one to hold his job.

City employees want to buy homes, rear families, and to be able to pay their way like any other citizen. They are entitled to continuous employment at fair wages so long as they do their work well. And that is what they are getting under this form of government. They don't have to apologize to anyone for the work they are doing or the jobs they hold.

Any worker worth his salt takes pride in standing on his own feet. He wants to make good on his job and show that he can produce. But he also wants to keep the job on his merits, and not because of some political connection. He also wants his pay-check with no strings attached, and he doesn't want to be forced every couple of years to sacrifice a part of what he has honestly earned as a campaign contribution for the candidate who got him his appointment.

Otto Branch, secretary of the Central Labor Union, said recently that in all the years he has been active in organized labor here, he has never received any fairer consideration than under the present form of government. The administration hasn't done everything labor or capital or any other group has asked, simply because it has been impossible to do so. But every group has had a fair and courteous hearing.

Take the actual method of transacting the city's business. It's much easier for council to work out matters of policy and problems when a group of nine men, interested in the whole city, can sit down at a table and talk over the issues with authorized respresentatives of labor, or any other group affected by the matter before council.

When, under the old, large council, did labor or any other group's authorized representatives find it possible to discuss questions without interruptions from large evening audiences which were often composed of hecklers, people who were not interested in the particular subject under discussion?

Many a night well past midnight the old council listened to useless bickering, political grandstand speeches, and meaningless discussions of matters that the new nine-man council could have disposed of in a few minutes. Always there was the group of outsiders who wanted the jobs of the present employees, waiting for a chance to upset those on the city's payroll regardless of how long they had been working or how well their work was done. They made it tough for everybody, from the mayor down the entire council.

THE MERIT SYSTEM IN OPERATION

Today, when an appointment is made, the city manager and department heads start at the top of an eligibility list composed from the civil service examinations, and the best man gets the job. That may disappoint political job seekers, but the results are all in the taxpayers' favor.

Our council meetings are open to any authorized representative of any group or organization. Anyone who really has business with council or the manager has no trouble getting attention. At every meeting representatives of labor, of the chamber of commerce, taxpayers' organizations, public utilities, and others appear. They are welcome, as is any citizen with legitimate business.

I do not believe that the laboring men of Toledo want a piker government in the city hall. They are willing to pay councilmen what their services are worth. Manager Edy can have that $12,800 salary, if he'll just continue to save the city the $20,800 which he did by abolishing a lot of high salaried jobs and promoting the men down below, who were doing the real work anyway.

SALARY SAVINGS

Just what were those jobs? First, he took two jobs himself and thus saved the city $4,800 a year it used to pay a director of public safety. Then he eliminated the position of finance director, which he could have filled with another man, and saved $4,800 more. Next, he combined the divisions of the treasury and of licenses and assessments under one commissioner, at another saving of $3,000 a year. The secretary to the safety director, which was formerly one of those juicy political plums the mayor handed out, is a real job now, because that man also has to serve as personnel clerk, and the saving on these two jobs was $1,389.

Formerly, we had a commissioner of water and a superintendent of the filtration plant. The filtration plant superintendent was moved up but kept his little job too, and $3,600 more was saved. The commissioner of purchases, who incidentally is doing as good a job as the purchasing agent of any other big Toledo industry, is also operating the new budget control system, which keeps the boys from spending more than councilmen have appropriated for their departments; he is also handling much of the personnel supervision.

Naturally, you'll find a lot of people over in the other camp who are former city employees. They have no love for this form of government because it has exposed their deficiencies and kept them from holding soft political jobs. Labor does not want the city loaded up with incompetents, any more than a good, self-respecting union wants to risk its reputation for good workmanship by sending out a lot of hams who can't do the work properly.

There are six good reasons why labor should back the nine-man council and turn down this log-rolling twenty-one-man amendment:

First, because labor is better represented in the present council than ever before and has had better treatment, not only from the two councilmen they endorsed, but from council as a whole.

Second, labor's forty-hour policy is being extended as rapidly as possible to all city employees.

Third, thousands of dollars in wages have been saved for labor through the peace board, for which Toledo's nine-man council appropriated $5,625 last year for nine months, and $7,250 for the full year of 1937, besides supplying office space.

Fourth, our small council recently acted to bring the common labor groups under civil service for the first time. This has always been a rich field for political manipulation. But as a member of council who voted in favor of this provision, I can honestly say that unskilled labor on the city payrolls will be better protected than ever before under this system. Formerly a flock of men were added to the payrolls just before an election and laid off the day after. Now you have a stable, permanent labor group. Of course, there will be some seasonal lay-offs, as there are in other seasonal occupations. But the laborer now gets the same fair deal, under civil service, as any other city employee.

Fifth, I've particularly liked the attitude of the city manager and the nine-man council on the matter of consulting labor leaders on major policies of the

(Continued on Page 488)

Is the Franking Privilege Misused?

Editor's Note.—The correspondence below, regarding the use of the postal frank for purposes other than official congressional business, has recently been brought to our attention. It is set forth in full since we believe that readers of the National Municipal Review will be interested in the question raised—for what purposes should the franking privilege be used?

Mr. Floyd B. Cox, Chairman,
National Committee for Adult Education,
Morgantown, West Virginia.

Dear Sir:

I received your circular letter this morning with enclosures, addressed to me as a member of the American Political Science Association, in which you ask me to support your request for a $2,200,000 appropriation from Congress for your program of adult education by writing to my congressmen in Washington.

In the promotion of this appropriation from Congress you have used the postal frank of a representative in Congress from West Virginia, a practice which should be and is, quite generally, condemned.

Your letterhead says the object of your committee for adult education is to "strengthen the fabric of democracy." I fully believe in the movement, but I should like to ask you how you expect to "strengthen the fabric of democracy" when you violate one of its fundamental concepts by using the U. S. mails under a federal frank in trying to obtain the money from the public treasury to promote the movement?

The fabric of a great principle consists quite as much of its moral as its political and legal threads. No great principle like democracy is going to be promoted when its advocates disregard and break the moral threads in trying to obtain funds for its promotion. No fabric can be strengthened when the major threads in the fabric are made of such flimsy stuff.

I may be a little old-fashioned in my political thinking, but my experience of forty years in actively promoting good citizenship and governmental reforms has convinced me that the advocates of these political principles must, at least, practice them. I am confident that many of the estimable persons whose names appear on your letterheads will agree with me.

The use of the federal franking privilege by the advocates in promoting the passage of an appropriation measure, especially to "strengthen the fabric of democracy," is to me a convincing reason why I should not support the proposal, much as I believe in a sound adult educational program. The fabric of democracy will not be strengthened by any such practices.

This letter is written not in my official capacity as director of the Citizens League of Cleveland, but as a humble citizen who has the honor to be a member of the American Political Science Association.

I am sending a copy of this letter to the congressmen and senators from Ohio.

Very truly yours,
Mayo Fesler
Cleveland, Ohio

June 9, 1937

*

Mayo Fesler
1307 Swetland Building
Cleveland, Ohio

Dear Mr. Fesler:

I want to thank you for calling my attention to a possible misunderstanding in regard to the use of Congressman Randolph's franked envelopes. After thinking the matter over, I realize that the connection between Mr. Randolph and me might be questioned. As you know, Jennings Randolph is sponsor of H.R. 6485 in the House of Representatives. Because of his many duties it is impossible for him to take care of the flood of correspondence concerning the bill, so I was asked, as chairman of the sponsoring committee, to handle the work for him.

As Mr. Randolph told me, "The franked envelope is a privilege to government officials to be used for the good of the people. I know of no better use of this privilege than to promote legislation for adult civic education as a safeguard for our democracy. Certainly if our government of the people, by the people, and for the people is to survive, something must be done to enlighten the people concerning the increasingly complex problems they must solve. In the next few years democracy will need all the help it can get from its friends."

Mr. Randolph has suggested to guard against any possible misunderstanding that his official signature be used on all correspondence enclosed in his franked envelopes.

I hope that I have not fallen too short in my attempt to explain why government franked envelopes are being used for this correspondence, and hope that you will feel able to join us in support of this important educational legislation.

Cordially yours,
For **Jennings Randolph**, M. C.
By **Floyd B. Cox**, *Chairman*
National Committee for
Adult Civic Education

June 22, 1937

*

Mr. Floyd B. Cox, Chairman
National Committee for
Adult Civic Education
Morgantown, West Virginia

Dear Mr. Cox:

I have your reply of June 22nd to my recent letter criticizing the use of Representative Randolph's franking privilege to send out propaganda in the effort to secure an additional appropriation from Congress "to promote adult education."

You say that Mr. Randolph told you that "the franking envelope is a privilege to government officials, to be used for the good of the people." That is not my understanding of the franking privilege. It is intended solely for the purpose of enabling members of Congress to carry on the legitimate correspondence in connection with their duties as representatives. It was never intended to be used in the broad sense which apparently Mr. Randolph has in mind when he says "for the good of the people." Who is to determine what is good for the people? If the Communists elected a representative to Congress, would it be for the good of the people to use the franking privilege to spread broadcast Communistic doctrines?

Do not misunderstand me. I am not opposed to the work of the National Committee for Adult Education; I believe in it; but if it does not have enough merit in it, and enough public support behind it, to get government appropriations without the misuse of the franking privilege, then it ought not to be supported by public funds.

Very truly yours,
Mayo Fesler

June 25, 1937

TOLEDO'S GOVERNMENT

(Continued from Page 486)

city government. Labor has had its say, and many of its suggestions have been approved. The same is true of all other groups, which is only fair as long as we all pay taxes and benefit by the services our city government renders.

And finally, labor benefits as much as any other group of citizens by more efficient administration of the city's affairs.

Those who live in Toledo are enjoying the lowest property tax rate in sixteen years. Your city government is living within its income and at the same time is paying off its old debts. Your municipal services, such as the fire department, police department, street cleaning, garbage collection, health service, and others are constantly being expanded.

I believe that because labor realizes how much it is benefiting by the way things are being run in Toledo, it will vote to block this attack on the city manager-small council plan. I believe it will vote to keep John Edy in the city manager's office, tending to business and not trying to build a political machine. I believe labor will say that nine councilmen are enough and keep out the old ward system with its patronage battles and costly payment of political favors with the people's money.

We are all a part of Toledo. We all enjoy its advantages. What helps one, helps another. What hurts one, hurts another. Give me, as a private citizen, the kind of government I have helped to give Toledo during the last two years as a councilman, and I'll be satisfied. So will all of those who want genuine good government.

RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmsted

Federal Legislation of 1937 Affecting Cities.—The relatively barren record of the first session of the seventy-fifth Congress on major legislation of all types is equally notable in connection with federal statutes affecting cities. While legislators in both houses introduced a number of bills which would have created important new federal-municipal contacts the high mortality of these proposals in committee, plus the preoccupation of Congress with a few contentious issues, has produced very little grist from much grain.

Congress did legislate, however, on the programs most important to cities—relief, public works, and housing—and these federal programs, with a few other new Congressional statutes affecting municipal finances, are deserving of notice.

Relief. The emergency relief appropriation act of 1937, making provision for the continuation of the Works Progress Administration program in the fiscal year 1937-1938, was signed by the President on June 29, 1937. This statute makes available an additional $1,500,000,000, plus unexpended balances of previous appropriations, for the specific purpose of continuing to provide relief and work relief on useful public projects. The WPA is not to receive this entire sum: the President is authorized to divert such portion as he deems necessary to the Resettlement Administration, now the Farm Security Administration, for loans, relief, and rural rehabilitation. The bulk of the appropriation, however, will continue to be spent in urban areas. Four broad classes of eligible projects are mentioned in the act, and a maximum set for each group, with the proviso that the President may increase the allotment for any class as much as 15 per cent, by transfer of funds from one category to another. Highways, roads, and streets are mentioned as group one, with a tentative maximum of $415,000,000; $630,000,000 may be spent for public buildings, parks, and other recreational facilities, power plants, waterworks and sewerage systems, transportation systems, airports, etc.; the "white collar" and women's projects so essential in city work programs may receive $380,000,000; and finally, as much as $75,000,000 may be spent for the National Youth Administration.

Public Works. Title II of the emergency relief appropriation act of 1937 is known as the PWA extension act. The life of the Public Works Administration was extended in the last session of Congress until July 1, 1939. All provisions governing the operation of the PWA program are continued in effect, but July 1, 1939, is substituted for July 1, 1938, as the date on which non-federal projects must be substantially completed. The PWA was also authorized by the new act to use as much as $359,000,000[1] from its revolving fund for allotments on public works projects, and the Reconstruction Finance Corporation was authorized to increase from $250,000,000 to $400,000,000 the amount which it might hold at any one time in securities purchased from the PWA.

No new applications for loans or grants for non-federal projects could be received by the PWA after the date of passage of this act, nor was the federal agency permitted to make allotments for projects which had not already been approved by the PWA examining division prior to that date. A specific limitation has also been placed upon the amounts of loans or grants which can be made for stated classes of projects—school projects and other undertakings for which applications are in various stated stages of progress.

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[1] As compared with previous authorization of $300,000,000 in 1936.

Housing. At least four major proposals for federal aid to low-rent housing and slum clearance developments were presented in the first session of the seventy-fifth Congress. The most important of these was the Wagner-Steagall bill to make federal funds available to state and local governments and their agencies for help in financing low-rent housing developments. This bill passed Congress August 21st, though amended out of all resemblance to the original proposal. A United States housing authority is created within the department of the interior. Loans may be made by that body to local public housing authorities for housing or slum clearance and reclamation, up to 100 per cent of the project cost, provided that no annual rent subsidy is requested. Where local housing authorities desire subsidies to reduce rents, however, or accept the alternative of a 40 per cent maximum capital grant,[2] the federal loan cannot exceed 90 per cent of the cost of the project. The loans are to run no longer than sixty years, and bear interest at one half of one per cent higher than the cost of the money to the federal government. On projects where the federal government makes an annual contribution or capital grant, local contributions are required; amounting in the former case to at least 20 per cent of the annual subsidy, and in the latter to a contribution of not less than 20 per cent of the project cost. These contributions will ordinarily take the form of cash, tax remissions, or tax exemptions, and in the case of capital grants the cities may also elect to make their contribution in land or in municipal services or facilities.

Only states with state or municipal housing authorities (now numbering about thirty states) are eligible to have the federal moneys spent within their boundaries. No one state may receive more than 10 per cent of the funds, and the federal government will not conduct any more demonstration projects.

Municipal Debt Readjustment. Although all major municipal defaults have now been cleared up, irrigation districts and certain other political subdivisions have pressed for federal action in this field, and several bills were introduced by Representative Wilcox (Florida) seeking to place on the statute books a substitute for the municipal debt readjustment act invalidated by the Supreme Court in a five-four decision last year. One of these proposals, in a revised form, was passed by the House and Senate and signed by the President. The new act is not essentially different from the invalidated statute.

Flood Control. One accomplishment of Congress was the passage of an appropriation act making funds available for carrying out the purposes of the flood control act passed by the previous Congress. Federal-local cooperation is the keynote of this program. The flood control activities, which come into the sphere of federal action because they are to be undertaken on navigable waters or their tributaries, will be paid for in part by local contributions. Local governments are expected to provide easements and rights-of-way and to assume claims for damages, though in cases where local expenditures for such purposes would exceed the construction costs the locality will be required to pay only one-half.

Many important municipal problems are thus left over for consideration in the next session. Such action as has already been taken by the seventy-fifth Congress, however, reveals in clear focus the close correlation between federal policies and the activities of municipal governments. The recent improvement in local revenues has not meant that the lines of communication and supply which were created between Washington and the cities in the depression years are being obliterated. Of course, federal funds for relief and "emergency" public works will not continue to be pumped into the cities on as large a scale as heretofore, but the debtor-creditor relation and other contractual relations which have been established between the two levels of government will necessarily endure for a number of years. Moreover, the non-financial relationships, such as coöperation in crime control, in-service training for civil employees, flood control activities, etc., are apparently due to increase rather than diminish.

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[2] Capital grants as high as 25 per cent may be made from funds of the authority, and a 15 per cent grant for labor may be allotted by the President out of relief funds. Capital grants are limited by the act to a total of $30,000,000. For annual subsidies and operating expenses, the sum of $26,000,000 is authorized to be spent.

J. Kerwin Williams

Washington, D. C.

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Women Voters Express Indignation over Congress Civil Service Record.—The adjournment of the seventy-fifth Congress was made the occasion for declaring a "day of indignation" by the National League of Women Voters.

Miss Marguerite M. Wells, the league's president, and Mrs. George Gellhorn, national chairman of the league's intensive three-year drive in behalf of the merit system, called upon the local leagues, more than 550 in number, to direct public attention to flagrant repudiation of party pledges and party responsibility.

Emphasis was laid on the civil service planks in the 1936 platforms of both the Democratic and Republican parties, in contrast to which was the Senate's failure to pass the Ramspeck bill to put all postmasters under civil service, which had passed the House, and the vote of 73 out of 84 senators—nearly all of both parties—relieving the better paid appointees, called for by the wages and hours bill, from civil service requirements. The league also criticized the fact that Congress adjourned without acting on the report of the President's committee on administrative management, which included personnel recommendations which, if accepted, would have "gone far toward transferring personnel from spoils to merit."

The House of Representatives came in for its share of censure, and the vote of individual representatives and senators on patronage measures was sent back to the local women voters' leagues in their home districts.

*

Few Exceptions to Approved State Social Security Laws.—Nearly all the states and territories now have approved laws fitting into the national program for unemployment compensation, old-age assistance, aid to the blind, and aid to dependent children, according to the American Public Welfare Association. The record on unemployment compensation laws is now 100 per cent for all forty-eight states and three territories. With recent approval of the new Missouri and Illinois laws, nearly 21,000,000 workers are covered under this provision. Old-age assistance plans have been approved in fifty jurisdictions, aid to the blind in thirty-six, and aid to dependent children in thirty-seven. Plans for all three types of public assistance have the Social Security Board's sanction in thirty-four states; Virginia is the only state without a single approved plan.

In addition the United States Children's Bureau has approved maternal and child welfare service plans of twenty-five states, child welfare service plans of sixteen states, and plans for services to crippled children in eight states.

*

Nine-State Conference on Uniform Trailer Laws.—Representatives from nine states (New York, Connecticut, Pennsylvania, Delaware, New Jersey, Massachusetts, Rhode Island, New Hampshire, and Vermont), federal officials, and members of the Council of State Governments met in New York City on September 11th to discuss methods of providing uniform regulations to govern the use of motor-car trailers in regard to parking, sanitation, highway safety, registration, and taxation. The conference was called by the New York Joint Legislative Committee on Interstate Coöperation. Assemblyman Harold C. Ostertag, chairman of the latter committee, stated that he would recommend that model uniform legislation be submitted to the forty-eight states for approval. The consensus of opinion appeared to be that the trailer movement should not be hampered by unduly stringent legislation. It was agreed that the most important immediate problem was sanitation.

A recent survey of the American Municipal Association is reported to indicate that inhabitants of trailers are at present enjoying exceptional freedom from taxation, cities having thus far made little attempt to exact payment for fire and police protection and other governmental services.

New Mexico Defeats Amendments.—Five proposed amendments to the constitution of New Mexico were defeated at an election on September 21st. The amendments would have abolished the two-term limit for state and county officers, increased the pay of state legislators from $5 to $10 a day, legalized the absentee ballot, and provided for a $1,250,000 institutional building bond issue.

*

Arkansas Advertises Civil Service Jobs by Radio.—For more than a month the Arkansas state civil service commission has been broadcasting announcements of job vacancies over news radio and other stations in brief statements between programs, the Civil Service Assembly of the United States and Canada reports. The announcements are non-technical in form.

The federal government and the state of New York are two other of the few jurisdictions that have used radio to get in touch with prospective candidates for civil service positions. According to Dr. William E. Mosher, radio announcement of available jobs "when coupled with other methods results in a much more complete coverage than can otherwise be obtained."

*

Four States Ratify Connecticut River Compact.—Legislatures of New Hampshire, Vermont, Connecticut, and Massachusetts have each ratified the Connecticut River Valley flood control compact, according to *State Government,* which remarks, "Because of the divergence in potential benefits it was not easy to prepare a compact which would be mutually satisfactory to all four states; but it was drawn up and all four have approved it. Recently they filed a petition for congressional approval as required by the constitution." The *Boston Evening Globe* hailed it as an outstanding achievement in the coöperation of sovereignties and in democratic self-government.

*

Council-Manager Plan Developments.—Toledo, Ohio, by a popular vote of 37,035 to 19,211, almost two to one, decided on September 21st to retain its present city manager charter as against a proposed plan which would have substituted a council of twenty-one elected from wards for the present council of nine elected by proportional representation. (See also p. 500.)

On September 14th Berkley, Michigan, voted on a manager charter. The vote was a tie and the city attorney declared the charter defeated.

The Bureau of Municipal Research of Des Moines, Iowa, (population 142,000) reports that the city manager movement "has received a great impetus from the assessment muddle and more recently the tax budget boosts by the present city council. The bureau is supporting the Commonwealth Club in its efforts to obtain sufficient signatures for a petition for a special election to vote on the plan. The chance for such a vote this fall seems good.

In Yonkers, New York, (135,000) the voters on November 2nd, at the general election, will for the second time this year pass on the question of a city manager government, unless recent litigation upsets the program. The common council unanimously passed an ordinance placing the city manager committee's new charter proposals before the voters for a referendum, and Mayor Joseph F. Loehr has also approved it.

Elmsford, New York, (2,935) will also vote on a manager plan charter on November 2nd.

Gallatin County, Montana, (16,124) at a special election on August 24th, defeated a proposal to adopt the manager plan, by a vote of 2,422 to 887.

In Glasgow, Scotland, a proposal for a manager has been made by Councillor Gray, leader of the opposition on the town council. He cites higher tax rates paid in Glasgow as compared with Edinburgh and Dundee.

Recommendations submitted by a composite committee created a year ago in Montreal, Quebec, and which will presumably be considered by the charter commission which is to be appointed, include the appointment of a general manager or director of services, reduction of the number of aldermen to about fifteen and vesting them with legislative duties only, the appointment of a civil service commission, and the cessation of capital borrowing without referendum. An interesting suggestion as to the appointment of the manager is that it be made by a "senate" of five members, one to be chosen by the city council, one by the professional bodies, one by the labor groups, one by the civic and business groups, and one by the financial group; the senate would be responsible for the conduct and dismissal of the manager, and would serve without pay.

*

Semiofficial Legislative Committee Serves Two Wisconsin Communities.—The city of South Milwaukee, Wisconsin, and the adjoining town of Oak Creek have a joint legislative committee, which holds regular weekly public meetings during the sessions of the state legislature, to consider and express opinions as to proposed legislation concerning the two municipalities and their citizens. According to City Attorney Clarence J. O'Brien of South Milwaukee, writing in the September issue of *The Municipality,* organ of the League of Wisconsin Municipalities, that city began in 1935 with a committee of nine members, appointed by the mayor. When the time came for appointing a committee for the 1937 legislative session all members of the 1935 committee willingly accepted reappointment. The common council of South Milwaukee invited Oak Creek to coöperate, and a joint committee of fifteen was formed, nine from the former and six from the latter. The nine from South Milwaukee comprised the superintendent of schools, one board of education member, the chairmen of the council finance committee and of the rules, laws, and ordinances committee, one member from the city at large, and one member each from the Taxpayers Alliance, Kiwanis Club, Business Men's Association, and the Polish Centrala. The six from Oak Creek included a member of the town board, a member of a common school district board, the chief of the volunteer fire department, a factory superintendent, a mechanic, and a carpenter; four of the members also engaged in farming. Twelve meetings were held, at which 132 bills were considered, the committee favoring seventy-four bills and two joint resolutions and opposing forty-eight bills and four joint resolutions. Thirty of the bills favored by the committee became laws and one resolution was adopted, while forty-two of the forty-eight bills opposed failed to pass.

*

American Municipal Association Convenes.—The two chief topics discussed at the fourteenth annual convention of the American Municipal Association, in Chicago, October 13th to 15th, are municipal finance, including federal loans and grants, state-collected taxes for local purposes, state supervision of local finance, and property tax exemptions; and local government personnel problems, including pre-entry and in-service training under the federal George-Deen act, experiments in contracting for technical personnel services, and retirement and pension plans and proposals. Airports and trailers will also receive a fair share of attention. Representatives of the forty state leagues of municipalities which the association represents are expected.

*

Rutgers University Establishes Public Safety Courses.—Rutgers University, at New Brunswick, New Jersey, has recently announced the establishment of a bureau of public safety, which functions as a branch of the university extension division. The bureau was set up as the result of a survey of the field of public safety by university officials, following the close of the first traffic officers' training school ever held in New Jersey, which was conducted at Rutgers in April of this year. The school is stated to have marked the first time that adult education in safety, along the lines of short-course instruction, had ever been tried in the state. It was well received and attended by fifty-four selected police officers from thirty-eight New Jersey communities.

The program of the bureau will include traffic control, criminal control, engineering for safety, and home safety. The bureau head is Lawrence B. Tipton, who had charge of the school in April as director of traffic officers' training schools throughout the nation for the Northwestern University Traffic Safety Institute.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Constitutional Amendment for Consolidation of Local Government Units Proposed in Kentucky.—Kentucky proposes to take the first step toward the consolidation of local government units and services in November 1937, when the people will vote upon a proposed amendment to the state constitution permitting the legislature to merge practically all local agencies in the several counties. The resolution which passed the legislature in the regular session of 1936 reads in part: "Within the territorial confines of counties (as now existing or as hereafter established) the general assembly may by legislation of state-wide application, or of application according to classification based on population, retain, modify, and consolidate any or all governmental bodies, offices, agencies, and institutions; may enlarge, curtail, modify, consolidate, redefine, and redistribute the powers, duties, functions, and jurisdiction of governmental bodies, offices, agencies, institutions, and courts, and may provide the number of judges for such courts; and may abolish all governmental bodies, offices, agencies, and institutions, and may abolish all courts inferior to the circuit court and may set up new ones in their stead; and may provide the method of selection of all officers, their compensation, and the means and methods of its payment."

This proposed amendment is popularly known as the "Louisville amendment," since it was sponsored in the legislature by representatives from the state's largest city. Louisville and Jefferson County have experienced considerable growth in recent years, and in addition, several satellite urban developments have grown up around the state's metropolis. In a very real sense Louisville has begun to realize its metropolitan existence. Conflicts of jurisdiction, as well as duplication of services and costs, have become noticeable. Thus, the amendment was originally designed to permit Louisville and the county in which the city is situated to combine their services and alter their governmental structure as needed.

Interestingly enough, the amendment permits rather broad alterations in local governmental organization and powers. While the effects of the proposal are confined to the limits of a county, it certainly permits city-county consolidation in any form. Undoubtedly the amendment will be interesting to other larger cities of the state, including Covington, Ashland, Paducah, and Owensboro. There have been some expressions of opinion favoring city-county consolidation in some of these urban areas.

J. W. MANNING
University of Kentucky

Reorganization in Erie County, New York.—The board of supervisors of Erie County, New York, on September 28th voted to submit to the people at the general election this year a plan for county reorganization under the selective form authorized by the Buckley act (chapter 863, laws of 1937). To be adopted it must receive a majority of the votes cast on the question in Buffalo and in the county outside of Buffalo, counted separately.

The plan provides a board of fifty-four supervisors (the present number) elected from the towns and city wards, a county manager appointed by the board, and a comptroller elected at large. Departments of finance, of audit and control, and of public welfare are required. The board is given powers of local legislation and may adopt and amend county acts. The budget system of the act is adopted except subsection 6 of section 400, the "pay as you go" subsection. The county clerk and the sheriff continue to be elective.

The plan does not disturb the functions or officials of the cities, towns, or villages of the county. It gives to the general county government such new features as local experience has shown will strengthen and improve the system which Erie County has.

This action of the board of supervisors is the culmination of a movement, begun in 1931, when the board requested the Buffalo Municipal Research Bureau to make a survey of the county government. It has been marked by many cross-currents, including a legislative commission, two legislative bills, and, at the last moment, a disturbing political complication. The crucial point about which the arguments raged was the county executive. The decision against an elective president and in favor of an appointive manager will, in its indirect as in its direct results, have a strong influence, it is believed, on local government generally in this vicinity.

SIDNEY DETMERS
Buffalo Municipal Research Bureau

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Schenectady County, New York, to Vote on Manager Charter.—Another New York county to vote November 2nd on a county manager charter is Schenectady. As in the case of Erie County, noted above, one of the selective forms of county government recently made possible by the Buckley act has been submitted to the voters by action of the board of supervisors.

Under the proposed charter legislative powers are in the hands of the board of supervisors, which will be elected and organized as at present. Administrative authority is delegated to a county manager, appointed by the supervisors, who will appoint the heads of departments and draft the county budget, to be submitted to the supervisors for approval.

All elective officers except the board of supervisors, county judge and children's court judge, district attorney, and surrogate are abolished and their functions transferred to department heads.

The new charter provides for a referendum, to be held in 1938, on the substitution for the present board of supervisors of a county council of eleven, one elected from each town and six elected at large from the city of Schenectady.

In order to be adopted the charter must receive a majority of the votes cast in the county, in every city containing more than 25 per cent of the county's population, and in that part of the county outside such cities.

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Recent Legislation in New Mexico.—Among the laws applying to county and local governments passed by the recent session of the New Mexico legislature are the following:

An act (chapter 219) providing for the creation of governmental subdivisions of the state to be known as soil conservation districts.

An act (chapter 222) providing for the creation of governmental subdivisions of the state to be known as wind erosion districts.

An act (chapter 114) permitting the employment of rural school supervisors in any county in the state, subject to the approval of the state board of education. Heretofore such supervisors have been permitted to be employed only in counties whose rural teachers numbered fifty or more.

An act (chapter 112) providing that school teachers, supervisors, custodians, nurses, principals, superintendents, or other professional employees over the age of sixty who have been employed in the public schools of the state for not less than twenty-five years and in the employ of the public schools of the county for not less than ten years, may be retired and receive annually one-half of the annual average salary paid during the five years preceding such retirement. Such annual allowance shall not be less than $600 nor more than $1500.

An act (chapter 20) providing for the appointment by the judge of each judicial district of five members of the county board of education of each county of the judicial district annually instead of biennially as heretofore.

An act (chapter 71) providing for the election of justices of the peace and constables at the general elections instead of at special elections in January of the odd-numbered years.

An act (chapter 82) requiring sheriffs, deputy sheriffs, and other peace officers of the several counties to be paid mileage at the rate of eight cents per mile while other officials may charge only six cents per mile, payable out of public funds, for using their own conveyances.

An act (chapter 52) providing that with reference to the proposition of building a court house or a jail or a bridge, any bond issue submitted therefor, if defeated, may not again be submitted until after two years unless a petition requesting another election, containing the names of qualified electors of said county equal to 10 per cent of the vote cast for governor in the last preceding election, shall be presented to the board of county commissioners; provided, however, that in no event shall more than two elections upon any proposition be held within any two years.

Rupert F. Asplund
The Taxpayers' Association
of New Mexico

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Planning Commissions Provided for Pennsylvania Counties.—Rural planning and zoning were given renewed impetus in Pennsylvania during the recent session of the legislature. Article VI of the original county code relating to county planning commissions was amended to include all counties. The new acts, No. 434, relating to county and regional planning commissions, and No. 435, dealing with county and regional zoning commissions, also provide for boards of adjustment.

Act 434 provides for the appointment by the commissioners of a county planning commission of nine persons who shall be residents of the county. Three commissioners will serve for two years, three for four years, and three for six years. Their successors are to be appointed at the expiration of their respective terms for six years. They are to serve without compensation and to make annually to the county commissioners a report of their transactions and recommendations. They may employ engineers and other persons whose salaries, wages, and other necessary expenses shall be provided for by the county commissioners.

All resolutions of the county commissioners relating to the location of any public building in the county and the locating of highways, streets, parks, playgrounds, and other public grounds, making or altering the county plan, must be furnished the county planning commission before passage and adoption in order that the planning commission may make a report or suggestions on such resolutions. Likewise, all plans for streets or highways for public use, all plot plans and replots of land laid out in building lots, and other portions intended for public use, or the use of purchasers or owners of lots within the county limits except those located within any city or borough of the county, must be submitted to the county planning commission and approved by it before being recorded.

Act 435 provides for the appointment by the county commissioners of any county of a permanent county zoning commission of three, five, or seven members. The act also provides that the county commissioners of two or more counties may provide for a joint commission which shall be the zoning commission of each county. In any county where a planning commission has been established the commissioners in lieu of establishing a zoning commission may confer upon the planning commission the additional power of serving as the county zoning commission.

It shall be the duty of the zoning commission to make for the county commissioners zoning plans, including the full text of the zoning ordinances and maps representing the recommendations of the commission.

Monthly Bulletin, Pennsylvania Department of Internal Affairs

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Durham County, North Carolina, Saves with Manager.—Durham County adopted the manager plan of government in August, 1930. At that time the county was faced with an operating deficit of $33,000, a floating debt of $533,000, and a bonded debt of $1,797,000. Delinquent taxes amounted to $550,000 and on these there was being collected only $6,000 a year. Each department was primarily interested in its own affairs and appropriations, and there was no uniformity or centralized responsibility. The commissioners, busy with their own affairs, had little time to devote to the complicated problems of government, and public criticism did not conduce to higher consecration to public service.

The picture today is an entirely different one. Deficit and floating indebtedness have been wiped out, delinquent taxes cut to $162,700, and the total debt reduced from $2,539,000 to $1,632,000. The tax rate has been cut from $1.10 to 50 cents for the past three consecutive years. This year, with the addition of social security grants, it was advanced to 63 cents, one of the lowest rates in the state. Yet no major county service has been discontinued—except those taken over by the state—and several new services and activities have been undertaken.

From *Popular Government*
Chapel Hill, N. C., August 1937

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County Managers for Irish Free State.—The *Municipal Journal and Public Works Engineer* (London, August 20, 1937) reports that the government of the Irish Free State has under consideration a bill with the object of replacing all county councils by a manager and an elected advisory body. The government is of the opinion that an efficient administration of growing public services by county councils is impossible under the present system and that the success of the managerial system in areas where it is already being operated has justified the experiment and also its application to the entire Free State. Urban councils will not be affected at present.

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Council of San Diego, California, Orders Vote on City-County Consolidation.—The San Diego city council recently paved the way for a vote of the people on whether they wish a consolidated city-county government separate from the rest of the county, when it adopted a series of resolutions bearing on the consolidation question.

According to the Escondido (California) *Advocate* of August 27th, under the terms of the resolution passed, the consolidation question would not be submitted until the spring elections of 1939. However, another resolution instructs the city attorney to prepare an ordinance setting up the form of petition required if the people wish to initiate the consolidation question before the next general municipal election.

Under this the people would be asked to vote first on whether they wanted such a consolidation and, if they do, to vote for fifteen freeholders to draw up the necessary charter. Names of the freeholders would appear on the ballot but if a majority of voters decided against consolidation none would be elected.

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Westchester County, New York, to Vote on New Charter.—The Westchester League of Women Voters, the Westchester Association, and other civic groups are actively campaigning for the adoption of a new charter by their county at the polls on November 2nd. The proposed charter, drafted by a special committee of the Westchester County board of supervisors and passed by the state legislature at its recent sessions, is described in this department for July 1937. One of its most important provisions is that for a chief executive, elected at the polls.

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Conservation District Formed in North Carolina.—Creation of the Brown Creek Soil Conservation District in Anson and Union Counties represents the first such conservation unit to be created under the state soil conservation districts law passed by the state legislature in 1937. It may be the first of the kind established in the United States.

The district is a coöperative association of landowners engaged in carrying out a conservation program. Establishment of the district was asked by the landowners in the area. Of the 385 landowners, 360 voted for the coöperative association, one against it, and the others did not vote. Administrative officials of the district have authority to act as agents of the federal government in promoting erosion control and other soil conservation practices.

TAXATION AND FINANCE

Edited by Wade S. Smith

Seattle Cash Deficiency Increases.—Increasing difficulties are evident in the current account of Seattle, Washington, which operates under a 15-mill tax rate limit created by initiative measures effective since 1933. By the first of August warrants and cash overdrafts in the current fund had passed the $5,000,000 mark. As of December 31, 1936, current warrants and current cash overdrafts totalled $4,871,555, increased from $1,269,065 at the end of 1930 and from $2,986,296 at the close of 1932, the last year before the tax rate limit went into effect.

Fortunately for the city, almost all of its debt was contracted prior to the enactment of the tax limit, and so is payable as to principal and interest from taxes levied outside the limit. Moreover, about two-thirds of the debt is for utility purposes and is self-supporting, so that the tax-supported debt is moderate for a city of this size (slightly over $50 per capita compared with a group median of about $82 per capita). Consequently, almost all of the 15 mills may be used for operations.

Even with debt serviced largely outside the 15-mill limit (the 1936 tax rate was 20.57 mills) available funds do not suffice to meet operating requirements at the prevailing level of expenditures. The city effected considerable retrenchment in the early depression period, and in recent years costs have shown a slightly upward trend. At no time have "economies" been deep enough to bring proposed expenditures in line with permitted levies and actual miscellaneous revenues, and as a result the city has resorted to the sharp overestimating of anticipated revenues for budget-balancing purposes. Since 1931 there has been a measurable spread between anticipated and realized non-tax revenues, and in 1935 estimates were more than one million dollars in excess of receipts, reduced to slightly under three-quarters of a million last year. Since miscellaneous anticipated revenues in the 1937 budget are more than double the amount of such revenue actually realized in 1936, a further pyramiding of the current deficiency is prospective for the present year.

Although the Washington tax rate limit law permits the levying of taxes outside the limit for operating purposes, when authorized by popular vote, no efforts have been made to date to use this method to drag the city from its chronic habit of deficiency operations. Chief reliance, both of Seattle citizens and public officials, seems to be put in the hope that at some future date replacement revenues will be provided by the state, or the state will assume the accumulated indebtedness for city operations under some guise or other. This has recently been done for the overlapping King County, which has carried the lion's share of relief costs at the expense of its own current funds and is now to be bailed out by the state's assumption of a large amount of relief expenditures.

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San Francisco Again Collects.—The record of the city and county of San Francisco in collecting current and delinquent taxes has been noted frequently in these columns. In spite of tax sale moratoria imposed by the state legislature at various times in recent years, this municipality showed a peak current tax delinquency of only 5.4 per cent on the 1933 levy. For the 1937 levy (year just closed on June 30, 1937) delinquency had declined to 1.45 per cent, a level .05 points under that of 1930 and a close approximation of "normal." As of June 30, 1937, less than $1,800,000 in delinquent taxes of all years remained outstanding, compared with the 1937 levy of approximately $31,000,000.

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South Dakota Counties Fund School Loans.—At least three South Dakota counties have attempted funding operations under a law adopted by the last session of the state legislature which provided for assumption by the taxpayers of school moneys held as trust funds and invested by the counties in farm mortgages and bonds.

The legislation and consequent funding operations arise from the rather unusual provisions made for the use of the federal land grants at the time of the adoption of the South Dakota constitution. These funds, which serve as a permanent endowment for school aid, are in most instances administered by the state. But South Dakota provided that the moneys might be prorated among the various counties to be held as county perpetual school funds and invested by the counties in first mortgages on farms and in bonds of the state and its subdivisions. In practice the funds have been administered by special county boards of trustees, under general laws administered by a state public lands and school funds commission. The counties must pay interest on the loans from the state perpetual school fund, and are responsible for any losses sustained because of poor investments or otherwise. Further, the moneys were advanced by the state to the county funds with definite maturities.

During the course of the years it appears that the fund trustees fell into the same difficulties in taking mortgages that beset the private loan and mortgage companies elsewhere. Not only were mortgages made in excess of conservative standards and on other than high-grade risks, but because the money was in the last analysis state money delinquents successfully urged delay in collections. This laxity in fund administration, coupled with the straightened condition of county finances arising from the prolonged drought and poor prices for farm products, has led to unsuccessful efforts to have the legislature compromise the county liability.

In 1935 the legislature enacted a law (chapter 176, l. 1935) permitting the counties to apportion delinquent perpetual school fund mortgage principal and interest on a twenty-year basis. In the last legislative session, another aid for the distressed counties was provided in a statute (chapter 77, l. 1937) which permitted the funding of floating debt with twenty-year bonds or the levying of an annual tax sufficient to retire the indebtedness by 1944. Perpetual school fund indebtedness was held by the state supreme court in a test case brought by Strool County as within the meaning of the floating debt covered by the statute. Prior to the enactment of the statute several counties had unsuccessfully urged in the courts that the fund loans should be the liability of the fund trustees as individuals.

Day, Marshall, and Codington Counties all offered new bond issues for the purpose of funding perpetual school fund loans during the early part of September, and in the case of Codington County at least the bids were accepted and the bonds slated for issuance.

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State and Federal Taxation.—Until the turn of the century, there was substantially no conflict between federal and state tax systems. Except in certain war-time emergencies, the central government got along nicely on receipts from custom, sales of public lands, and a few excise taxes; state governments subsisted comfortably on property taxes.

Expansion of governmental activity, and "tax conflicts," began to make their appearance early in the present century. They were destined to be vastly intensified during and immediately after the World War, and to go definitely out of bounds in the trying 1930's, as all agencies of government, frantic for funds to finance projects incident to the depression, invaded any and all nooks and crannies where tax dollars might be lurking, regardless of the fact that many of these revenue sources had been previously pre-empted by other agencies.

The result today is a mystic maze, where no man may know how much he pays in taxes—or why. Only one revenue source—the customs—may be said still to be reserved solely for the federal government. In the field of state taxation, the property levy is the only potential revenue-source which the federal government has not invaded, directly or indirectly.

Overlapping excise and sales taxes, tobacco taxes, liquor taxes, motor vehicle and gasoline taxes—and a myriad of others—are the rule today, and not the exception. This critical situation is in the forefront of public thought, as a conference of governors seeks presidential assistance in calling a nation-wide conference to plan a coördinated tax program.

In the absence of such nationally-planned coordination, it seems plain that the individual states, acting separately, cannot solve the problem. The many legislative sessions held in 1937 furnished ample evidence to this effect. Literally hundreds of new (or increased) tax levies were enacted into law, and almost all of this legislation served to increase tax conflicts and to intensify the prevailing trend towards concealed—rather than direct and forthright—taxation.

Statistical summaries serve a useful purpose in indicating the extent of new "tax conflicts" voted in 1937. A report last spring by *Editorial Research Reports* ("Coördination of Federal and State Tax Systems," April 5, Vol. I, 1937), detailed eight separate categories in which there was important overlapping of the federal and state tax functions.

The sources were the income tax, personal and corporate; estate and inheritance taxes, general sales taxes, gasoline taxes, motor vehicle taxes, liquor taxes, and tobacco taxes. In the fiscal year 1935 the federal government tapped these sources to the tune of $2,613,680,000, and state governments collected $1,654,769,000.

Under 1937 state enactments, the states' "take" from at least six of these taxes will be substantially increased in years to come, and no steps have been taken to relieve these sources of federal taxation.

Personal income taxes, new or increased, were voted in ten states, but decreased in only two; corporation income taxes were imposed or increased in eight states and reduced in one; sales taxes were increased or extended in eighteen; tobacco taxes were extended in seven; liquor taxes were increased in ten states and reduced in four; and gasoline taxes were raised or collection methods strengthened in twelve states and lowered in five.

BRYAN COLLIER

Editorial Research Reports

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River Pollution Ended by Work Project.—One of the most commendable of the projects to come to this department's attention is outlined in a recent WPA release, describing mine-sealing operations of relief workers on Ohio and Potomac River tributaries.

There are usually any number of odd improvement jobs lying around the doors of any community, the sort of thing which ought to be remedied but somehow never is. Anyone who has lived or driven through the soft coal regions of the east is aware of a common nuisance of this type—creeks and rivers stained a rusty red from the sulphur and iron laden seepings from old mines. Actually, such seepage is not only unsightly, but the acid discharged is destructive to bridges and other improvements and costly in terms of purification plants to all communities and industries which must use the water so polluted for domestic or industrial consumption.

It was estimated by engineers that the acid discharge flowing down the Ohio and into the Mississippi amounted to about four million tons, of which half was from abandoned workings. The cost of resulting water purification was estimated at $800,000 in one fifty-mile stretch of the Monongahela alone, while destruction to bridges, river abutments and locks, steel hulls of vessels, and industrial machinery with which the water came in contact probably runs into the millions. There is also a gradual ruin of grazing lands and the pollution of water formerly potable for livestock, as well as the destruction of river fish, all difficult of evaluation.

Under the WPA project more than one thousand abandoned soft coal mines, with approximately fifty thousand separate openings, have been sealed. They are located in Pennsylvania, Ohio, West Virginia, and Kentucky. Additional work is also under way in Indiana, Missouri, and Alabama. The cost so far is about $3,000,000, with a peak employment of over five thousand men and a present employment of about three thousand. Results after mine-sealing are reported as showing a reduction in acid content from a minimum of 50 per cent to well over 90 per cent in some cases. Here, then, is a job which local initiative would probably never have tackled, except for the necessity of putting men to work and the happy thought of someone to remedy a condition about which nearly everyone in the affected communities complained.

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Assessors Meet in New York.—The fourth annual conference of the National Association of Assessing Officers will be held in New York City October 20th to 22nd. Formal talks, round tables, and short summaries of specific improvements recently made in assessment practice in various communities, and a discussion of the report of the committee on principles of assessment practice will constitute the program. Among the topics discussed by speakers will be assessment organization, aerial photography for tax map making, capitalized income as a basis for assessments, and the graded tax plan.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

Toledo Retains Its P. R. Council.—At a special election on September 21st Toledo, Ohio, voted two to one to retain its present council-manager government. The final returns show a vote of 37,035 to 19,211 on fundamental charter amendments designed to abolish the small nine-man council elected by proportional representation and replace it with a twenty-one man ward-elected body. Other changes proposed included the election of the law director by direct popular vote and the revision of some of the civil service provisions in the municipal charter. While the office of city manager was not directly involved in the election, it was generally believed that the position now filled by John N. Edy would go to a political appointee if the ward council plan won out.

Favoring the charter changes were a host of small-fry politicians and their followers, the Ku Klux Klan, nearly all Polish-American voters in two wards who felt that under P. R. they were left without councilmanic representation,[1] most of the colored citizens for the same reason, the C. I. O. and its leaders,[2] and the gambling element in the underworld which has been powerless to operate under the present administration. Neither major political party participated openly, both maintaining a "hands off" attitude.

The campaign to maintain the present government was successfully conducted by the City Manager League—a nonpartisan citizen organization established in 1934 to help secure the city manager plan of government in Toledo.

Three years ago when Toledo adopted its new form of government it followed Cincinnati in adding to the usual manager plan a small council elected by P. R. The new charter was then adopted by a majority of approximately five thousand votes. Six months later, before the new form of government had been tried, political opponents forced a repeal election. The league waged a second campaign in defense of the manager plan and succeeded in having it retained by a majority of nine thousand. The recent election in Toledo—coming twenty months after the new government took office—resulted in a far more decisive victory for the supporters of nonpartisan, nonpatronage government. The largest number of voters who ever turned out for a special election in Toledo rolled up a majority that doubled even the margin obtained in the repeal campaign in 1935.

Impartial observers attribute the league's victory in a large measure to the popularity of the present city council and the confidence of the voters in the administration of City Manager Edy.

The campaign itself was marked by unusual bitterness and by direct attacks on the city manager, the league, and especially on the

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[1] The leading Polish candidate lost out by four votes at the first P. R. election two years ago. —EDITOR.

[2] This opposition was in spite of the fact that organized labor elected two able representatives out of nine on the P. R. council.—EDITOR.

P. R. method of voting. The league countered by presenting evidence of the efficiency of the present government and the fine record that it had made in less than two years time and concentrated on a drive to "get out the vote."

The campaign to maintain the small P. R. council was featured by the active participation of young people who built up a city-wide ward and precinct organization and conducted a house-to-house canvass of voters. A headquarters staff of twenty, with one exception all under thirty-five years of age, put on an aggressive campaign of public education, using newspaper advertising, direct mail, pamphlets, a well organized speakers' bureau, a "first voters" club, a bandwagon stunt, community "sings," and frequent radio broadcasts.

Allen H. Seed, Jr., *Executive Secretary*
Toledo City Manager League

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Yonkers Vote Set for November 2nd.— As a result of petitions filed by the Yonkers City Manager League under the state's new charter initiative law, the Yonkers common council has set November 2nd as the date for a referendum on the league's proposed charter amendment, referred to in this department last month. The amendment, if adopted, will put the city manager plan into effect January 1st and proportional representation for all council elections thereafter, beginning in 1939.

Opponents of the plan have turned to the courts, alleging legal flaws in the new law and in the City Manager League's application of it. The lowest court has ruled against them and upheld the referendum, although it questioned the validity of certain nonessential provisions of the amendment. The decision has been appealed.

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P. R. Brings Better Candidates in New York City.— As the October 5th deadline for filing council petitions in New York City approaches, one great benefit of the new proportional representation plan of election is already apparent. As in other cities it has proved possible to induce a number of outstanding citizens to run for the council, men and women who would never have considered running for the board of aldermen in the boss-controlled elections of the old plurality system.

A fusion board of strategy, known as the Citizens Nonpartisan Committee, with Judge Samuel Seabury as chairman, has brought forward a representative ticket of prominent citizens for all the five boroughs to make the campaign for council in conjunction with the campaign to re-elect Mayor LaGuardia. The ticket represents nearly all shades of political opinion, Republican, independent Democratic, Labor, and Socialist, and makes its appeal to all the principal elements of the city's population except the Tammany machine and its allies. It includes such leaders as William Jay Schieffelin (Manhattan), veteran chairman of the Citizens Union and chairman of the board of Tuskegee Institute; Mrs. Mary Simkhovitch (Manhattan), director of Greenwich House and member of the New York City Housing Authority; Mrs. William B. Earle, Jr. (Brooklyn), only woman member of the city charter commission which drafted the new charter, former executive director of the Women's City Club, and former chairman of the municipal affairs committee of the New York City League of Women Voters; and Frank S. Hackett (Bronx), founder and headmaster of the Riverdale Country School.

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P. R. League's Annual Meeting.—The annual meeting of the Proportional Representation League, Incorporated, now amalgamated with the National Municipal League, will be held in connection with the final sessions of the National Municipal League convention in the Hotel Seneca, Rochester, New York, on November 20th, just after the first P. R. election in New York City. The entire morning will be devoted to a discussion of the problems of representation. This will be followed by a luncheon devoted to P. R., sponsored by the P. R. League, the National Association of Civic Secretaries, and the Rochester City Club, which will conclude the sessions of the convention. It will be addressed by John H. Humphreys, secretary of the British P. R. Society, who is generally regarded as the foremost authority on proportional representation in the world, and Judge Samuel Seabury, whose investigation of the Walker administration in New York City led to the election of Mayor LaGuardia and the adoption of P. R. and the new city charter.

A short business meeting for the election of P. R. League trustees and a report on the notable progress of P. R. during the year will take place during the morning session.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Governmental Research Association.—The twenty-sixth annual conference of the Governmental Research Association was held from August 30th to September 2nd, on the campus of Cornell University at Ithaca, New York. For many years prior to 1933, the Governmental Research Association held its annual meetings in conjunction with those of the National Municipal League. Beginning in 1934 the association began to hold separate conferences during the summer vacation season, and at some more or less secluded spot. The Ithaca conference this year was better attended than the preceding conferences in Ann Arbor, Hamilton, and Casenovia, New York, and it was generally agreed that the program too was more nearly satisfactory.

The current issue of the *Governmental Research Bulletin,* monthly news letter of the association, contains a brief summary of the conference proceedings, the conference photograph, and a list of those in attendance.

Most of the sessions were informal, extemporaneous discussions, but at a few of the sessions prepared papers were read. Some of these will be mimeographed and made available to all members of the association. Among those who addressed the conference were the following: Frederick P. Gruenberg, John F. Sly, J. L. Jacobs, C. E. Rightor, Frederick L. Bird, Clifford W. Ham, Russell Forbes, Carl Shoup, and Edmund Ruffin.

Professor M. P. Catherwood, of the department of agricultural economics at Cornell, invited the association to meet on the Cornell campus, and the association is deeply indebted to him for making available the excellent conference facilities afforded by the university. Professor Catherwood is a specialist in town and county government administration in New York State.

Award Announced. At the annual business meeting of the association, held on the evening of August 31st, the results of the 1936 award competition were announced. The winner this year was J. Lyle Cunningham of the staff of the department of budget and research of the county of Los Angeles. His report on *The Medical Care of Indigents Outside of County Institutions* was cited as "the most noteworthy piece of governmental research completed by a member of the Governmental Research Association during 1936." Honorable mentions were given to J. M. Leonard of the staff of the Detroit Bureau of Governmental Research, and to Leyton D. Carter, director of the Cleveland Foundation, for their reports on *The Mental Testing of Detroit Policemen* and *Public Recreation in Cleveland,* respectively.

Judges in the 1936 competition were William Anderson of the University of Minnesota, Willard F. Day, manager of Henrico County, Virginia, and the late Clyde L. King of the University of Pennsylvania.

The GRA award is a certificate suitable for framing. The first award competition was conducted in 1933 and was won by H. C. Loeffler. The 1934 award went to Lent D. Upson and J. M. Leonard, and the 1935 award to Herman Kehrli.

New committeemen. At the annual business meeting of the association announcement was also made of the results of the election conducted by letter ballot, using the Hare system of proportional representation, to select members of the association's executive committee. Each year three members are elected to the executive committee to serve two-year terms. The new members of the committee are Luther Gulick, Institute of Public Administration; Harold Henderson, Minnesota Institute of Government Research; and Loren Miller, Municipal Research Bureau of the Chamber of Commerce of Newark. The three hold-over members of the committee are M. W. DeWees, Clifford W. Ham, and H. C. Loeffler. Mr. Loeffler has been elected chairman of the executive committee for the ensuing year, succeeding Howard G. Fishack, whose term on the executive committee had expired.

ROBERT M. PAIGE, *Secretary-Treasurer*

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Hawaii Bureau of Governmental Research.—Some of the activities during the past year of this established agency may be summarized as follows:

Public welfare studies. The governor's advisory committee on public welfare, appointed in July 1936, requested the bureau to make certain investigations and studies to guide it in arriving at conclusions and recommendations.

Pursuant to this request, the bureau made numerous studies of public and private welfare agencies and activities, prepared drafts of proposed legislation for the organization and administration of a territorial board of public welfare, and helped the committee prepare its final report.

The bureau interpreted the findings and recommendations of the governor's committee to citizen groups throughout the territory.

To assist in the drafting of an unemployment insurance law for the territory, the bureau digested the unemployment insurance laws of fifteen states and the District of Columbia. It also prepared a report on local employment and economic conditions pertinent to a consideration of unemployment insurance legislation and made a comprehensive analysis of unemployment relief rolls.

Government handbook. In 1928 the bureau published a *Handbook of the Territory of Hawaii,* designed to describe the functions of each department, institution, and board of the government. In January of this year (1937) the bureau published a completely revised handbook under the title *Our Territorial Government.* Hundreds of copies were ordered for use in the schools and university of the territory, and the book was given a wide free distribution. A daily newspaper published it in serial form in its entirety.

Building code. At the request of the Hilo Chamber of Commerce and the Hawaii County board of supervisors, the bureau prepared a revision of the county's building code. This code had been drafted by the bureau in 1933. The revision prepared by the bureau was adopted in April 1937.

County government. The bureau studied the operating revenues and expenditures of each of the five counties of the territory and discussed county fiscal problems with the county boards of supervisors.

Present program. The bureau is now assisting in the organization of plans of administration for the territorial public welfare board and the territorial unemployment compensation board.

The governor intends to appoint a special committee to study public personnel administration and has indicated his desire to have the bureau coöperate in this undertaking. Comprehensive civil service legislation will probably be enacted in the near future.

A thoroughgoing study of the Kauai County government is contemplated.

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Bureau of Governmental Research of the University of Washington.—The Bureau of Governmental Research was established in 1934 within the department of political science of the University of Washington as a fact-finding and recommendatory agency, with its services available to all public officials. The origin of the bureau is traced to the recognition on the part of the University of Washington of its responsibility to the public service of the state and to the counties, cities, towns, and special governmental jurisdictions within it. Since its organization, the demand for bureau services has been wide and continuously increasing.

The Bureau of Governmental Research is distinctly a service agency intended to assist public officials in the improvement of governmental administration. Its chief purpose is to act as a clearing house for facts which can be utilized to improve administrative techniques in government and to promote the scientific study and development of better methods and practices. In keeping with this purpose, it engages in a variety of activities in a number of different fields. It offers a consulting service available to all public officials on request. It makes special studies and reports on problems common to groups of officers, issues information bulletins, conducts an annual institute of government, promotes in-service training programs, assists in the organization of various regional and state conferences, and fosters coöperation between the various governmental units.

Located at the University of Washington, the bureau is in a strategic position to utilize the facilities of a number of university departments doing research in related fields. There is opportunity to consult the college of economics and business, the graduate school of social work, the law school, the college of engineering, and the university libraries, each with its experts and technicians. In addition, the bureau maintains relationships with national organizations whose aid is available for special problems. It is the aim of the Bureau of Governmental Research to bring to focus on governmental problems in the state of Washington the best of experience, training, and advice.

Dr. Charles E. Martin is the chairman of the department of political science and Dr. Edmund F. Spellacy is the director of the Bureau of Governmental Research; Chester Biesen serves as executive secretary of the bureau and Jesse Epstein as research assistant.

*

Des Moines Bureau of Municipal Research.— Our activities during the first six months of our fiscal year, beginning April 1st, were as follows:

The new assessment. Through our disclosure of the inequitable system of district discounts made by the city assessor, the city council, acting as a board of review, made a reduction of nearly $8,000,000 in the original assessments.

The 1938 tax budget. In the last two months the bureau has been serving the Citizen's Tax Budget Committee, headed by the Des Moines Real Estate Board with representatives from other organizations, which has been studying the 1938 budgets of the various local taxing bodies. The bureau has furnished virtually all the statistical information for this citizen's group, which has held numerous meetings on the subject. With the information thus obtained, the citizen's group entered protests against the tax budgets of the city, school district, county hospital, and county, with the view of carrying an appeal to the state appeal board, which might reduce them.

Appointment of new fire chief. The bureau helped in the preparation of a competitive civil service examination which resulted in the selection of a new fire chief who passed highest in the list of contenders. By publicly protesting the appointment of a temporary fire chief because of lack of qualifications, the bureau helped arouse public opinion to demand that a fair examination be given. The city civil service commission is to be commended on the way it resisted politics in carrying out this examination.

Walnut Township assessments. The bureau protested to the Polk County board of supervisors regarding the low assessment of Walnut Township residences which are inside the Des Moines school district but outside the city limits and which received absurdly low assessments from the township assessor. This results in Walnut Township properties paying about one-third the school tax that properties of equal value inside the city limits will pay. The bureau will carry this protest to the state board of assessment and review.

City manager movement. This movement has received a great impetus from the assessment muddle and more recently from the tax budget boosts by the present city council. The bureau is supporting the Commonwealth Club in its efforts to obtain a sufficient number of signatures for a petition for a special election to vote on the plan. The chance for such a vote this fall seems good with the possibility that before another year Des Moines may have the manager plan in full operation with resulting economies and better public services for taxpayers.

C. A. Crosser, *Secretary*

*

Governmental Research Institute (St. Louis).—Financial problems comprised the major part of the institute's work program during recent months.

The longest legislative session in the state's history ended after adopting new tax measures and a budget which far exceeds any previous biennial program. Studies of budget requirements and tax yields were made by the institute for members of the legislature and other state officials during the session. An analysis of appropriations and anticipated revenues is now being made for early publication.

The state legislature at the last session again abated or reduced penalties on delinquent property taxes if paid before next January 1st. All penalties were abated up to July 1st, and as the result of special efforts by the collector more than $3,000,000 of delinquent taxes were paid in June. The institute is now making a study of that group of tax payments for the purpose of ascertaining the relative size of the tax bills, and the number of years of delinquency, and the type of property on which the taxes were paid.

A comprehensive study of all sources of city revenues is also under way. That study will include a compilation of laws or ordinances authorizing every item of receipts and an analysis of collection administration and of the trends of the collections.

Reports have recently been issued on bonded indebtedness of the city government and on police statistics in cities having over 300,000 population.

Carter W. Atkins, *Director*

RECENT BOOKS REVIEWED

EDITED BY ELSIE S. PARKER

Government in Action. By Robert E. Keohane, Mary Pieters Keohane, and Joseph D. McGoldrick, New York-Chicago, Harcourt, Brace and Company, 1937. 845 pp. $1.84.

Although intended primarily as a textbook for young students, *Government in Action* is too significant and makes too good reading for more mature students to overlook. The authors have attempted to let fresh air into the material available to teachers of civics and government. Missing are the card catalogue methods of drumming into young people a series of dry-as-dust, unrelated facts, soon-to-be-forgotten and quicker-to-change, and present is a warm living picture of government as it affects all of us.

The success of this representation is due in some measure to the organization of the book according to the functions rather than according to the forms of government. The book is divided into the following eight basic units: (1) the nature and purpose of government, (2) four cornerstones of American government, (3) securing the consent of the governed, (4) how governmental policies are made and carried out, (5) how our governments promote the general welfare, (6) the United States in the family of nations, (7) financing our governments, and (8) the citizen's relation to his government.

Many of the subdivisions also answer the question "how?" Refreshingly realistic is the treatment on how governmental functions multiply, how political parties work, reforming the administration of justice, on war and peace and the challenge to democracy.

The book is profusely and excellently illustrated with modern pictorial material, consisting of illustrations, charts, graphs, and diagrams. At the end of each chapter are to be found practical recommendations for student projects and activities.

While government is the core of the text, the approach and the discussion have a definite social and economic slant. In other words, this is a study of government not isolated from but integrated with economic and social problems. Not only should the book achieve its avowed purpose of helping high school students really to understand the principles and problems of good government, but the vital and up-to-the-minute material, national in its scope, should be a great stimulus to the more progressive methods of teaching civics that are now spreading throughout the country's secondary schools and junior colleges. The book promises to be one of wide use and great influence.

Sophia A. Olmsted

*

Training for Public Service in Virginia. By Rowland Andrews Egger, Harold I. Baumes, and Raymond Uhl. University, Virginia, Division of Publications of the Bureau of Public Administration (Report Series B, No. 2), 1937. 88 pp. mimeo.

This report makes no pretensions at being a definitive or final statement on the problem of the recruitment and training of governmental personnel. It is concerned simply and briefly with the present status of that problem in Virginia.

As such, however, the study has an importance which transcends the boundaries of the state of Virginia. It is not only the work of competent authorities in a state noted for leadership in governmental reforms, but it gains additional significance as a pioneer effort at a careful, statistical approach to the personnel problem as it actually exists within a commonwealth, its large cities, towns, and county governments. It analyzes such matters as how many people hold what kind of jobs in each of these units of government, how many new appointments are made each year, what the average number of new promotions are, what the present modal compensation is, and the formal education of encumbents. The report examines and describes Virginia's noteworthy attempts to prepare persons, by either in-service or pre-entry training, for government work. It points out what the limitations of the present program appear to be and suggests what might be done to improve the existing situation. The authors conclude with an inquiry into the possible effects upon in-service training of federal aid to vocational education under the recent George-Dean act.

This over-all picture of the personnel situation in Virginia enables the prospective entrant of the public service there to determine in a broad way what actually he can expect in terms of pay, opportunities for advancement, possibilities of initial appointment; what kind of persons will be his associates and what facilities exist for self-improvement. It also provides the basis for the development of a realistic personnel program. It brings into sharp relief the limitations of the existing program and stands out as a broad hint to personnel leaders in other states to "go thou and do likewise."

JOHN BLANCHARD

*

The Telford Classification. By Fred Telford. Washington, D. C., 1937. 185 pp. mimeo. $10. (Apply to author, 4728 Fourteenth Street, N. W., Washington, D. C.)

Five thousand years or more ago Koheleth, better known as Ecclesiastes, penned a sentence to which shrewd observers have consented ever since—with a wry smile: "And I beheld the race was not to the swift, nor the battle to the strong, nor the prize to men of understanding, but time and chance happeneth to every man." How true that last phrase is in "landing a job" thousands can testify. But man seeks to reduce chance to a minimum wherever its operation does more harm than good, hence the merit system as the basis of employment. And the logical outcome of the merit system is classification, that is, a concise description of the tasks, duties, etc., that a person denominated, let us say, as a junior bookkeeper is expected to perform.

Fred Telford offers a manual to those organizations motivated by both efficiency and fairness which would install an occupational classification system for their own use. The area of public and private employment to which classification can be applied should lead to a wide use of this "tool" which Mr. Telford has fashioned with such meticulous care. This concern with what to him seems vital but to others of small importance is so marked throughout the manual, particularly in its later chapters, as to raise the fear that he may defeat his own purpose. Straining after precision produces on page 17 a sentence of seventy-nine words.

In spite of the gentle strictures offered above, it must be said that this manual is a most worthwhile invention, for that is the most appropriate word to apply to it. The broad outlines of it must necessarily be followed by any successors. Therefore, it is recommended to anyone interested in what is to this reviewer one of the most important aims we can have—to obtain the most efficient use of all the capacities of each individual and as fair a reward for their use as our present ethical concepts permit.

WALTER J. MILLARD

*

The Selection of a City Manager—Suggested Procedure to Aid City Councils in Appointing a Manager. Chicago, International City Managers Association, 1937. 16 pp. Fifty cents.

With 457 city manager cities already in existence and interest growing apace in this form of government, the International City Managers Association has come forward with a timely and important booklet on the selection of the city manager.

This report is designed to assist city councils in finding, from the avalanche of applications which follow any announcement that a city manager is to be employed, the ablest man for the job. Its purpose is to suggest a simple, careful, and effective appointment procedure in order to insure city governments against the cost and embarrassment of ill-considered and hasty appointments by the council of so important a municipal officer. It seeks to outline a procedure whereby men of real qualifications will not only be encouraged to apply for city manager vacancies, but their abilities will be quickly discerned.

J. B.

*

Guide to the Municipal Government—City of New York 1938. By Rebecca B. Rankin. Brooklyn, New York, Eagle Library, Inc., 1937. 106 pp. $1.25.

Miss Rankin, who is librarian of the Municipal Reference Library of New York, gives us here a summary of the machinery of New York City's government as it will operate under its new charter beginning January of next year. The government of a great city is necessarily a complicated affair, and New York is no exception. The author has succeeded, however, within the narrow confines of a hundred pages, in giving a bird's-eye view of her city's administrative setup. Each chapter deals with one of the main divisions of the city government—the executive, the legislative, finance, taxation, health and welfare, etc.—with subdivisions on the city's many departments and institutions. A chapter on the government of the five counties within the city is also included. The book should prove helpful both to the student of government and to the interested citizen.

*

Analysis and Comparison of Annual Yields of Those Revenues Administered by the Department of Finance and Taxation of the State of Tennessee. By Tennessee Taxpayers Association (Report No. 31). Nashville, 1937. 57 pp. mimeo.

"Manifestly the taxpayer must view with increasing concern the large and sudden increase of eight and a quarter million dollars a year recently made in the tax burden. But he does find a measure of reassurance in knowing that his tax laws have come to be enforced with new tokens of impartiality, intelligence, and effectiveness."

Opening with the paragraph above the Tennessee Taxpayers Association presents a report analyzing and comparing the annual yield of those revenues administered by the department of finance and taxation of the state of Tennessee for each of the last two fiscal years ending June 30, 1936, and June 30, 1937, respectively. The report includes analyses of twelve of the seventeen revenues by counties.

The revenues administered by the department of finance and taxation reached a total of $33,407,000 for the fiscal year closing on June 30, 1937, as compared with collections of $28,640,000 for the preceding year—an increase of 16.64 per cent. Some revenues show an increase of 82½ per cent for the year, one shows but 2.46 per cent.

The report indicates that four factors have contributed directly to this gain: national recovery, a completely reorganized department of finance and taxation, a practical elimination of the large volume of evasion of state gasoline and tobacco taxes, and the installation as of July 1, 1936, of a modern departmental accounting system.

*

The New Charter of the City of New York. Edited by Laurence Arnold Tanzer. New York City, Clark Boardman Company, Ltd., 1937. 682 pp. $7.50.

This is a preliminary announcement of a volume edited by the associate counsel of the New York City Charter Revision Commission and available for distribution about October 1st. The book will contain the full text of the new charter of New York City with source notes referring to sections of the old charter, a history and analysis of the charter, the report of the charter revision commission in full, the text of the act creating the revision commission, text of all court opinions relating to the charter, and many other important features including an analytical index covering not only the charter but the summary and analysis and the report of the charter commission.

*

Tax Limits Appraised. By A. Miller Hillhouse and Ronald B. Welch. Chicago, Public Administration Service, 1937. 40 pp. Fifty cents.

Tax limitation is herein summarized to date. The study includes the experience of those states which have it, arguments for and against it and suggested methods for determining the probable effect of over-all limitation on a given unit of local government. Special consideration is given to the proposal of the National Association of Real Estate Boards, that of a rigid constitutional limit of 1 per cent, including debt service. The authors have concluded that while an over-all tax rate such as this reduces real estate taxes immediately, when the whole result is considered it is to the disadvantage of the majority of citizens including property owners.

*

State Governmental and Administrative Reorganization in Oregon. By the Interim Commission on Governmental and Administrative Reorganization and the Governmental Research Committee of the Oregon State Planning Board, 1937. 60 pp. mimeo. Apply to the Oregon State Planning Board, Portland, Oregon.

This study considers the reorganization of those state agencies dealing with financial control, business regulation, social welfare, and conservation of natural resources with a view to greater coördination and simplification. Among the recommendations are those for setting up a state department of finance, a state department of social welfare and a division of water resources to be established in the office of the state engineer.

*

Social Work Yearbook 1937 (fourth edition). Edited by Russell H. Kurtz. New York, Russell Sage Foundation, 1937. 709 pp. $4.00.

This volume—the fourth of a series beginning in 1930—is a description of organized activities in social work and related fields. Part I is devoted to an authoritative record of social work activities; part II is a directory of a thousand national and state agencies in social work and related fields. The volume covers a wide range of subjects of interest to public administrators, students in the social sciences, librarians, and interested lay persons, as well as to social workers. This year many new subjects have been introduced, including such topics as civil service, civilian conservation corps, financing public social work, old age insurance, organized unemployed, resettlement, the social security act, work relief, etc. References to related literature are appended to the topical articles, constituting an up-to-date and extensive social work bibliography.

*

Yearbook 1936-37 of the International Association of Chiefs of Police. Chicago, 1937. 244 pp. $1.50.

This book contains the proceedings of the forty-third annual convention of the association held in 1936. The addresses and committee reports cover such important subjects as police organization and administration, personnel and training, communications, records and criminal identification, crime prevention, etc.

*

Comparative Police Data, St. Louis and Other Cities Over 300,000 Population. By Governmental Research Institute. St. Louis, 1937. 26 pp. mimeo.

A comparison of the costs, activities, number of employees, salaries, number of crimes reported, arrests, etc., of the larger cities of the country.

*

Accident Prevention Bureaus in Municipal Police Departments. By Curtis Billings. Evanston, Illinois, International Association of Chiefs of Police and Northwestern University Traffic Safety Institute, 1937. 48 pp.

A description of the functions, organization, and personnel of an effective accident prevention bureau.

*

Proceedings of the Twenty-second National Recreation Congress. New York, National Recreation Association, 1937. 151 pp. $1.00.

Containing summaries of all the discussion meetings and of the principal addresses delivered at the recent recreation congress, this record should prove of great value to those interested in "making life in America a richer experience through recreation."

*

Ambulance Regulation. By United States Conference of Mayors (Report No. 139) in coöperation with the Institute of Municipal Law Officials. Washington, D. C., 1937. 21 pp. mimeo. Fifty cents.

This report is based on a survey of eighty-five cities of over 50,000 population. The appendices contain ordinances of a number of cities on the regulation of ambulances, as well as those sections of the model traffic ordinance of the National Conference on Street and Highway Safety dealing with the regulation of authorized emergency vehicles.

NATIONAL MUNICIPAL REVIEW

NOVEMBER 1937

Saginaw Advancing
MURTON PEER

Housing as a National and City Problem
CYNTHIA WENTWORTH

County Managers and Near-Managers in North Carolina
PAUL W. WAGER

Comparative Statistics and the Measurement of Efficiency
HERBERT SIMON

Nation-wide Highway Planning
J. T. BARTON

Six Years of Managership in Arlington
CEDRIC LARSON

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The contents of the National Municipal Review are indexed in the *Engineering Index Service,* the *Index to Legal Periodicals,* the *International Index to Periodicals* and in *Public Affairs Information Service.*

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National Municipal League

THE LEAGUE'S BUSINESS

Nominating Committee Report.—The League's committee for nomination of 1938 officials, composed of Leonard D. White of the University of Chicago, *chairman;* L. Arnold Frye of Hawkins, Delafield, and Longfellow; Robert M. Goodrich, director of the Providence Governmental Research Bureau; Alonzo G. Grace of the University of Rochester and Carl H. Pforzheimer, treasurer of the League, has submitted its report as follows:

For *president,* Clarence A. Dykstra, president of the University of Wisconsin, formerly city manager of Cincinnati; for *vice-president,* Miss Marguerite M. Wells, president of the National League of Women Voters; *treasurer,* Carl H. Pforzheimer; *honorary secretary,* Clinton Rogers Woodruff; *honorary vice-presidents*: Charles A. Beard, Henry Bentley, H. L. Brittain, Henry Bruere, Charles C. Burlingham, Harry Woodburn Chase, Frederic A. Delano, John N. Edy, Samuel S. Fels, Mayo Fesler, Russell Forbes, A. R. Hatton, John R. Haynes, Frank O. Lowden, C. E. Merriam, W. B. Munro, Frank L. Polk, Lawson Purdy, Chester H. Rowell, Murray Seasongood, Miss Belle Sherwin, Mrs. F. Louis Slade, Lent D. Upson, A. Leo Weil, and Charles F. Weiler; members of the *council* (three-year term): Frederick L. Bird, Henry Chandler, Richard S. Childs, Frederick Davenport, Marion Folsom, L. Arnold Frye, Robert M. Goodrich, John S. Linen, Clarence E. Ridley, and Charles P. Taft.

The report will be acted upon at the League's annual meeting to be held November 17th in connection with the conference on government at Rochester, New York.

Howard P. Jones, *Secretary*

* * *

LETTERS TO THE EDITOR

To the Editor of the National Municipal Review:

May I write you a line in appreciation of the Review. I found the October number full of interest and have sent a copy of Mr. Frederick L. Bird's article on "Current Trends in Municipal Finance" to the chairman of our special recess commission which is studying financial matters.

Laurence Curtis, *State Senator*

Boston, Massachusetts

* * *

To the Editor of the National Municipal Review:

I read the National Municipal Review and I think you have the wrong idea as to many things, for instance, proportional representation.

Any man who reads history knows that a mob cannot run a government. France tried it in 1783 and in 1831, in 1851 and 1871, and only two years ago with the People's Front Government. In every case where a mob has tried to run the government there has resulted a dictator, just as there will in the United States. The idea that education has changed people and that we have a better people than lived a thousand years ago is only partly true. The same people who saw wild beasts destroy the Christians, or who started the Sicilian Vespers or the Massacre of Saint Bartholomew and who burned Papists and witches in Scotland and England, are the same people who take part in sit-down strikes and beat up elevator operators and kill non-union workers today. I saw yesterday that the educated child is more apt to commit crime than the uneducated child.

We must have an absolute system of checks and balances against mob government. I go to Europe every spring and I see what mob government has done in the great countries of Central Europe and in France and Spain. There cannot be a democracy—there must be a constitutional republic.

Edward P. Doyle

New York City

Dear Mr. Doyle:

Your letter contributes an often-expressed view in the controversy about which people have been talking, fighting, dying for these many centuries.

Of course, democracy does not always succeed, any more than do dictators. Your apparent inclination to liken proportional representation to mob rule, however, is a bit puzzling. Has P. R. given mob rule to Cincinnati, or has it freed that city from mob rule? Has P. R. given Toledo mob rule? If P. R. frees New York City's legislative body from the kind of domination it has had for years will that be a step away from or toward mob rule?—Editor.

Editorial
Comment
◆
November, 1937

NATIONAL
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New Trails in Local Government

When civilizations were built on simpler lines, the whole community could gather to discuss problems—perhaps the advisability of moving to a new region where hunting and firewood were more abundant, or going beyond the reach of a neighboring group which threatened to disturb the peace.

The wise chieftain or tribe listened carefully to the advice of huntsmen who faced the day-to-day problem of supplying meat and to those explorers who had adventurously or thoughtfully gone beyond the familiar territory which had been known to all of them since childhood.

These were the "experts" or "authorities" of their day. They have always been with us; and, just as those of an earlier day sometimes found their ideas too advanced for the crowd, so do the informed men and women of today find they are sometimes a few steps ahead and perhaps walking a bit too fast for those who follow.

Today's huntsmen and explorers in the various fields of governmental administration will give the "tribe" the benefit of their adventures when they participate in the National Municipal League's annual national conference on government at Rochester, November 18th, 19th, and 20th. They will help to point the way to more bountiful hunting grounds in governmental structure, municipal finance, housing, law enforcement, citizen activity, and other fields which are as pressing to our more complicated civilization today as were the questions of plentiful game, firewood, good water, and safety to our 500-times-great grandfathers.

This is the forty-third such national conference sponsored by the National Municipal League. From previous meetings and subsequent league activities have come most of the progressive reforms which have taken place in government, particularly municipal government, in the last half century. Among the victories for which the league can take at least partial credit are those which made realities of the short ballot, council-manager form of municipal government, modern budget procedure, and centralized purchasing procedure, to mention only a few.

Great problems lie ahead. The future of unemployment relief presents a question which demands the most earnest thought which can be brought to bear. County government, the worst jungle in our complicated setup, needs more exploration and "clearing" than can be hoped for soon. There should be new model fiscal legislation and a revised model city charter to take advantage of lessons learned from the depression.

The conference on government is open to all who have something to contribute or something to learn. Many civic organizations will send representatives. They will, we are confident, find it very worthwhile.

A. W.

Counting Two Million P. R. Votes

As this issue of the Review goes to press, one of the most interesting governmental experiments that has ever been tried in America is taking place: the counting of the P. R. vote for councilmen in New York City.

In five of the regimental armories of the city—selected because of their large size rather than to protect the ballots with bullets—the tremendous task of counting, sorting, and transferring the 2,000,000 P. R. votes that were cast in the five boroughs for the modest total of 230 candidates is proceeding. The Manhattan count is expected to take not less than two weeks.

The story is told of a member of the Irish Free State Parliament who was visiting in New York City prior to the election. Asked by a newspaper reporter how long it was before they knew the result of the P. R. count for Parliament in Ireland, he replied:

"Oh, we usually know in three or four weeks' time."

"You mean to tell me," the reporter gasped, "that it takes more than three weeks to count the votes for the Irish election?"

"Oh no, not at all," the Irish leader replied. "Only you see we work so hard campaigning that everybody takes a couple of weeks off before we count the votes!"

After all, is it so important that we know the results of an election the same night? Is it not rather of much greater importance to obtain a truly representative result?

It is an interesting sight, this central count, with scores of long clean white tables with hundreds of pigeon holes set up in racks before which sit long lines of workers counting and sorting ballots. It might be a gigantic post office of the sort that would be required if everybody in a big city called for his mail at the general delivery window. And over on one side a complete company of neat uniformed policemen—just in case. For a gang raid on the ballots in process at the central count would be fatal to the system, and there are many who still hope for some sort of fatality.

Rumors have found their way into print that one reason the count would take as long as possible was that each canvasser receives $10 a day, consultants $20, directors $30, and they didn't want the jobs to "give out" too soon. At the close of the second day, after time-keepers had been stationed at the doors of rest rooms, a number of the workers were discharged for soldiering on the job. The third day the count progressed more efficiently.

Old time politicians were frankly indignant over the difficulties placed in the way of some of their followers, particularly the one which forbade the printing of party symbols on the ballots. The confusion of large numbers of voters was evidenced by the number of blank or invalid ballots.

One voter bravely went ahead and, on the wrong side of his ballot, carefully selected as his first choice "Official Councilmanic Ballot." His second selection was "General Election." Then, in the following order, he preferred "No-

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Saginaw Advancing under Manager Plan

First year under new charter brings Michigan city efficient business administration.

MURTON PEER *Managing Editor, Michigan Municipal Review*

The biggest bean elevator in the world operates in Saginaw, Michigan. The biggest automobile company builds cars there. The biggest baking oven concern and biggest precision measuring instrument maker both center there. The state's biggest oil producers head up their work there, and the biggest beet sugar interests operate there. And before all these, the biggest lumber kingdom in America had its capital there.

But the biggest thing about the city's own business, until only months ago, was the opinion that it fell far short of measuring up, in efficiency, to the other businesses there. So big did this conviction become that there emerged in 1935 a movement to reorganize the business of furnishing municipal services in this community of 85,000 and to give to it a new plan, new directors, and new managers—all in a new spirit of gaining community welfare.

The members of the commission which worked out the new plan were a retired manufacturer, a lumber dealer, an accountant, a manufacturer, a retail grocer, an attorney, a wholesale grocer, an automobile dealer, and a foundry pattern maker. As they would in their private business operation, the group brought in technical assistance, engaging Harold D. Smith of the Michigan Municipal League.

The charter they submitted to Saginaw electors in the fall of 1935 began taking on fame even before it was adopted, becoming known as the shortest, most compact municipal charter in the country. Less than seven thousand words in length, the document is phrased so directly that no provision yet has been found open to two interpretations.

Making it a definite step forward in local government is its provision for almost complete divorcement of the legislative and administrative functions. Notable, too, it was that Saginaw voters on approving the charter elected its writers as the members of the first city council to put it into effect beginning January 6, 1936.

As first councilmen under the manager plan, the group became the board of directors of the city's business, empowered to fix broad, general policies and instructed to leave to their manager[1] the actual application of their policies. Their manager carries absolutely centralized administrative authority and responsibility. Their mayor, elected by council from its own membership, is, as defined in the charter, "the city's chief ceremonial officer."

Beginning with the fundamental of necessary changes, the new administration worked on city finances. It wanted the city's business to take in all it deserved for services and to spend no more than needed. How these factors had been overlooked is shown in several instances.

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[1] The present incumbent, appointed at the time the manager plan went into effect, is L. Perry Cookingham, formerly manager of Plymouth, Michigan.

A river winds through the city. Tending the bridges were forty-two city employees, who, payroll records showed, had let ships pass for many seasons and stayed on through winters when only ice skaters passed under the bridges. Since early in 1936, after a study of actual needs, these bridges have been cared for by seven full-time employees, fourteen assistants during navigation season, and part-time aid of the nearest police scout car driver, called to manage surface traffic. The saving is $20,000 a year.

"PAY-AS-WE-RESPOND" SERVICE

A check-up of fire department activities revealed that no less than $8,000 was owed the city by six surrounding rural townships, some of whose bills were dated 1926. The "free service" was so taken for granted that even the public and press discounted the worth of doing else but forget the debt, and threatened reprisals came from debtor officials. The city stood firm and now has rural fire-fighting on a pay-as-we-respond basis, besides collecting one-fourth of the delinquency and all current bills.

Worst offenders against the city were water consumers and, of course, the collecting officials. City books in January 1936 showed $200,000 in delinquent water accounts. This discovery by the new administrators was accompanied by swearing. They swore to banish unpaid water bills in the future and sought to collect most of the delinquencies.

For current collections, the city installed mechanical equipment and new methods of handling accounts, while vigorously driving on delinquencies. The city manager wrote all property holders owing more than $100 and got good response. The director of finance began requiring a percentage of a delinquency to be paid with the current bill. Bills of indigents were cancelled, but large accounts, personally approached frequently, are steadily signing agreements to pay.

There is a strict system of "three bills and you're out of water" which includes a second billing in ten days, and a final notice eleven days later that in five more days the water will be shut off—and on properties not paying it is shut off.

A further leak in outgoing finances was ragged handling of automotive equipment. Separate departments and their divisions bought, operated, and maintained their automobiles, trucks, and other vehicles. Four city garages dotted the city, all too small and inadequately equipped to handle important repair work and maintenance, forcing costly private service. Equipment was run down, having lacked proper care and systematic replacement.

CENTRALIZED GARAGE SERVICE

The answer suggested after a study was a central equipment bureau and garage. It supervises and controls all rolling equipment and gives storage, service, and repair facilities. Each department pays rental for its equipment, based on a cost-record system and including all operating costs, repairs, and depreciation. This has reduced equipment costs and produced more effective use of facilities.

In the new garage was built a bulk gasoline storage plant, permitting a saving of over two cents a gallon. The purchasing function is charged to a separate department now. The charter permits purchases exceeding $2000 to be taken without bids, provided a saving can be made. The first two months the city saved $1,200 on soda ash for its water treatment.

A stranger watching a serious Saginaw fire might be amazed if firemen rolled up in taxicabs. But that is the cheapest and quickest way of bringing emergency employees in, a checkup showed. A reserve platoon of thirty costs about $7.50, considered a bargain. Each of three taxi companies has a list, and on call will gather it. Water workers, nurses, repairmen, and others have pass cards for cab rides, making another saving, for they formerly drove their own cars, keeping them home nights and charging mileage to the city, allowing little check on use for city purposes.

UP-TO-DATE FINANCIAL PROCEDURE

The basic move to control income and outgo was creation of a single financial agency and modernizing procedure all down the line. This saved by reducing personnel dealing in financial matters from thirty to twenty-three, and eliminated extra seasonal help, slashing costs $10,000 last year. Centralizing check-writing, handling claims, and similar tasks saved money, as did replacement of the system of each department keeping its own finance records with that of issuing monthly reports on appropriations to each department. Considered the most important savings, while least measurable, are those brought about by improved control of expenditures and more efficient service given the public.

Offices of controller, assessor, and treasurer were united into finance department in the charter. Water billing and bookkeeping later was moved under finance. Formerly duplicate books were kept by the treasurer and controller. Water records were cash receipts and disbursements, with the water division keeping single entry records of assets and liabilities. Three identical ledgers listing 254 accounts were kept by the controller, treasurer, and parks and cemeteries, each for perpetual cemetery care. This needless duplication was cut away, the treasurer's records eliminated, and water records transferred. Soon, with a bookkeeping machine, one person was doing work formerly done by three.

Shifting from a cash to an accrual basis of accounting placed finances on an intelligible basis and cleared away the complexity which gave no clear-cut, easily understandable picture of city finances. The controller and treasurer were using eighty-six cash accounts, and reported only annually in full and semimonthly the amount and place of cash on hand. This gave no inkling how much was available for corporate purposes, what belonged to other agencies, and how much was in trust—except to a person knowing what the eighty-six titles defined. These funds were chopped down to fifteen and the practice discontinued of dividing current tax dollars on a percentage basis among eighty-six funds and putting revenues other than current taxes, including delinquent collections, into a contingent fund for spending outside the budget.

Control of expenditures is now airtight. Once a department head beyond his budget could get a transfer from another balance. Such spending was not kept abreast of balances nor were amounts available. Now each purchase requisition goes through the purchasing office to the controller, who checks it with budget balances and if money is available approves it.

Business machinery now speeds city finance processes. On one of the three tax-writing machines an operator at once writes the assessment roll, tax roll, and four copies of the tax statement. Tax collections likewise have been speeded, and the public served better. Tax clerks quickly pass them out, not needing, as formerly, to check each against the tax roll for errors in transcription and computation prevalent under the hand-made system.

Water accounting, done by tearing the

stub from the bill for posting in customer's ledger accounts, was abolished. Standard billing machines do it now, with a control kept over each period. Handling was reduced from 17,000 to 6,000 by listing only second notices.

POLICE AND CRIME PREVENTION

Giving special duties to specially trained persons and pyramiding police responsibilities from police workers up to the city manager, a reorganization of police functions took effect last June 1st. Activities once sprawled among five units and miscellaneous employees were consolidated into four divisions of patrol, investigation, crime prevention, and records and communication. This was the city's first recognition of the need of crime prevention activities and the importance of placing practically all staff and records functions in the records and communications division.

Crime prevention workers include a supervisor, juvenile officer, and policewoman. Their duties are prevention and control of juvenile delinquency, handling of women's and girls' cases, removal of crime hazards, and coördination of community youth agencies. They try to make courts the last resort and encourage juvenile aid and crime prevention programs.

The investigation division handles detective work, control of vice and liquor, and court prosecutions. In patrol work are three platoons of uniformed officers and the traffic accident prevention bureau, the latter investigating accidents, prosecuting, studying traffic hazards and their control, issuing operators' licenses, and doing traffic education.

The close tie-up between records and radio was recognized. Records are kept of complaints, *modus operandi,* cases, identifications, stolen automobiles, arrests, traffic violations, and personnel and administrative reports. A two-way radio system, with transmitters built by police technicians for $115 each, gives maximum low-cost coverage with one officer operating each scout car.

Traffic accident prevention bureau officers concentrate upon offenses causing accidents at certain locations and periods. As the new traffic ordinance requires reporting of accidents, police are building a large file of accident pictures and data. This also assists engineering changes and special educational programs.

Other traffic activities include: (1) an engineering survey resulted in an angle parking ban, additional signals and fire routes, far-side bus stops in the business area, and four free public downtown parking lots for 650 cars; (2) police were trained in accident work at Northwestern University and Detroit; (3) citizen drivers' classes are operating; (4) the traffic violations bureau in the justice court enforces a uniform fine schedule, every ticket being accounted for directly to the city finance director; (5) a model traffic ordinance is in use and improved parking and traffic signs are being installed, as are new wooden black and white raised-letter street name signs in a $20,000 installation; (6) in use are an accident investigation car equipped with first aid, sound and camera equipment, and a three-wheel motorcycle for checking overtime parking, this doing the work of four foot patrolmen.

MERIT SYSTEM INTRODUCED

A merit system for employees has been set up, the charter placing all but the city manager under it. The city was one of three first to use the personnel installation and operating service of the Michigan Municipal League, coöperating with Civil Service Assembly and Public Administration Service. Raises of $60,000 resulted last year from the job classification and salary

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Housing as a National and City Problem

The Wagner-Steagall act, although by no means adequate quantitatively, is a triumph for public housing

CYNTHIA WENTWORTH

The American City Magazine

For many years there have been sporadic eruptions on the surface of our housing difficulties, but it was not until the present decade that they began to assume volcanic proportions. Back in the glittering '20's the building industry was apparently producing houses at a normal rate in spite of the increasing frailty of their financial foundations. With the depression, the fiscal structure collapsed, and the building industry came as near to a dead stop as could be imagined. By 1934 national construction had fallen off 92 per cent from 1925, and residential building alone, 88 per cent. Needless to say, such a cessation of building with its consequent unemployment problem was cause for serious national concern. Some phases of this concern antedated the New Deal. In December 1931 there was held in Washington President Hoover's Conference on Home Building and Home Ownership, to consider the problem of the provision of shelter in many of its intricate phases and relationships. The published proceedings of this conference have become a primary reference work on housing as a nation-wide problem.

Since this study was made, the acute aspect of the housing problem which is concerned with the eradication of slums and the provisions of decent new housing for families of low income has become a powerful social and political issue. Further inquiry into existing housing conditions brought out various staggering facts. In 1934 the Department of Commerce conducted "real property inventories" in sixty-four typical cities, which showed that 18.1 per cent of all dwellings either needed major repairs or were unfit for human habitation. These figures are considered conservative by many students, who estimate that as much as one-third of all American housing, considering both urban and rural areas, is substandard. This diseased segment of society's dwelling output is on the debit side of every nation's balance sheet. Dark, dirty, airless, damp, disease-breeding homes are costly in terms of human health, morals, and general welfare, and in terms of actual dollars for the maintenance of those areas in which they cluster.

The seriousness of the housing problem is further revealed when we look for monkey wrenches in our house-producing machinery and find right away the obvious defect of an appalling discrepancy between the cost of new housing and the capacity of the wage-earning consumer to pay for such housing. Finally, the problem is thrown into still sharper relief by such catastrophic declines in building as occurred during the depression, which, coupled with the normal increase in the number of families plus an unusual increase due to a post-depression spurt in marriages and a long-term tendency toward more family units of smaller size, produces a housing shortage. A certain amount of demolition of unfit buildings has contributed still further to this diminution of the dwelling supply.

It is this menacing shortage which has taken such drastic forms as a rent strike in Pontiac, Michigan, that has given wings to legislative action on the housing problem. In 1933, when the Public Works Administration was inaugurated, a housing division was set up for the purpose primarily of relieving the widespread unemployment in the building trades. Other so-called housing legislation was also passed in Congress at that time which was mainly concerned with strengthening home finance and contained no direct provisions assuring the construction of housing of sufficiently low rent to meet the need of the lower income groups. The housing division of the PWA, however, had real significance in this respect, and and has resulted in the actual construction of some fifty large-scale housing projects in thirty-five cities, with an outright federal grant of 45 per cent of the cost and a 3 per cent federal loan of the remaining 55 per cent to be amortized in sixty years. This 45 per cent subsidy has brought some fine, new, healthful dwellings within the reach of a few thousand families who would otherwise have been forced to bring up their children in substandard dwellings. As an answer to a great need, these fifty projects are ridiculously inadequate, but as life-size exhibits of what could be done to make the famous American standard of living a reality, they are thrilling.

This federal program of public housing, although emergency in nature as an offshoot of the unemployment problem, has served as one factor in inciting various states and municipalities to local governmental recognition of the housing problem. For the past few years we have seen state after state pass enabling acts under which local housing authorities can be set up, until the total number has now reached thirty. Only eighteen of these states have actually set up local authorities, and among those eighteen there have been great differences in the degree of activity.

HOUSING TO THE FORE

Nevertheless, the march has been forward, and today there is a new drum major to quicken its step, the United States housing act of 1937. For housing has also won recognition on the federal statute books. In a remarkably short time the legislators of our country have swayed to the pressure of this rapidly growing social and political movement. A few years ago only social workers talked about it. But the depression collapse of our house-producing and distributing machinery has started tenants and home owners thinking of it, building companies and real estate owners and chambers of commerce working over it, and every socially-minded citizen shouting about it. Our democratic governments have been forced to open their eyes and ears—and when they saw and heard they could not do otherwise than act.

In 1935 there were few congressmen who registered intelligence at the mention of housing, but in 1937 there were very few who were not acutely aware of its importance. In 1936 the Wagner-Ellenbogen housing bill was introduced in the Senate and the House. It passed the Senate but did not get any attention in the House, mainly because the President had not included it in his "must" legislation for that session. In February 1937 the Wagner-Steagall bill was introduced, which, after some doubts and compromises, became in August the United States housing act of 1937. The forces which pressed the passage of the bill were interestingly revealed in the hearings before the committee on banking and currency of the House of Representatives, taking place on August 3-6, 1937. The first statement came from Mayor Fiorello H. La Guardia of New York, as president of the United States Conference of Mayors. At their annual conference the mayors had unanimously adopted a resolution asking Congress to enact housing legislation which would give the cities aid in meeting their housing problem. At the hearings, Mayor La Guardia presented a number of telegrams from mayors all over the country expressing their endorsement of the Wagner-Steagall bill.

THE NEW FEDERAL HOUSING ACT

Although the resultant legislation by no means answers our needs quantitatively, it is a triumph for public housing, decentralized as to construction and administration. It sets up a United States Housing Authority under a single administrator who is in turn under the general supervision of the Department of the Interior. This central authority is empowered to distribute loans, grants, and annual contributions under certain conditions to local housing authorities applying for these forms of assistance. The central authority is authorized to raise $500,000,000 by the sale of its obligations, which will be guaranteed by the United States as to principal and interest. These funds will be loaned to the localities at ½ per cent interest above the going federal rate for a maximum amortization period of sixty years, in the amount of $100,000,000 during the current fiscal year and $200,000,000 in each of the two next years, for the purpose of financing approved low-rent housing projects. Each loan is limited to 90 per cent of the cost of a project where grants or annual contributions are requested, but may reach 100 per cent where no other form of assistance is expected to be necessary in reaching the proper low rents. Annual contributions are limited to a percentage of the cost of the project, determined by adding 1 per cent to the coupon rate of the latest long-term federal bond issue at the time of the contract with the local authority, for a maximum period of sixty years. A capital grant may not exceed 25 per cent of the project cost, but the president is authorized to make an additional 15 per cent grant to be used for labor costs. The authority may not make contracts for annual contributions beyond $20,000,000 ($5,000,000 the first year and $7,500,000 on each of the two succeeding years); and not more than $30,000,000 ($10,000,000 a year) is authorized as capital grants.

Before a local government may receive assistance by annual contributions or capital grants, it must put something into the project out of its own pocket. It must contribute either 20 per cent of the federal annual contributions, or 20 per cent of the project cost in the case of a capital grant. In the former case, the contribution may be in cash or tax remissions, general or special, or tax exemptions, and in the latter in the form of cash, land, or the value, capitalized at the going federal rate of interest, of community facilities or services for which a charge is usually made, or tax remissions or tax exemptions.

Other conditions of federal assistance are: for every new dwelling provided, an equal number of substandard dwellings must be demolished, condemned, closed, repaired, or improved, immediately or later if there is a serious housing shortage. The average construction cost of a dwelling in any one project (excluding land, demolition, and non-dwelling facilities) must not exceed the average cost of private enterprise dwellings in the locality and must in no case exceed $1000 a room or $4000 a family unit in cities of under 500,000 population, or $1250 a room or $5000 a family unit in cities of over 500,000 population. Not more than 10 per cent of the loans, grants, or annual contributions authorized by the act may be made in any one state; and persons eligible for the accommodations provided must be in the lowest income group, for whom private enterprise in the locality cannot provide an adequate supply of decent, safe, and sanitary dwellings, and whose income does not exceed five times the rent to be paid, including utilities, or six times the rent where there are three or more minor children.

QUALIFICATIONS NECESSARY FOR LOCAL AUTHORITIES

Since this new housing act depends for its functioning on the coöperation of local authorities, it is well to discuss what their qualifications must be in order to make application for federal funds. First of all, there must be a public agency—state, county, or municipal—legally authorized to engage in the development or administration of low-rent housing or slum clearance. In states lacking such legislation it is necessary that enabling acts be passed under which these public housing agencies or authorities may be set up.

Once an authority is in existence, it must be assured of the power of its governmental unit to make contributions to housing subsidies in any of the various forms mentioned under the national act, or again it cannot participate in the national housing program. Since the building and administration of housing projects under this act is a complex task involving a grave social responsibility, the importance of adequate financing of the local authority must be stressed, for competent persons and adequate equipment are necessary to a decent job and there will undoubtedly be some competition in the production of programs worthy of federal aid.

What must be some of the factors to the preparation of a good, sound, local housing program? First of all, an authority must find out just what *is* low-rent housing in the area of its jurisdiction, what is the line in dollars and cents below which private enterprise cannot build. Once this line is determined, the need for public assistance can be estimated in terms of figures on shortage, overcrowding, vacancies, and dangerous and unhealthful aspects of existing housing within that rental group. As such studies are made, it would be wise to take note of good demolition or repair areas in reference to the requirements in the national act. It is not yet clear whether the demolition or repair must be in strict reference to the new project or if any demolition by building or sanitary officials or others can be counted in the amount required.

After such studies are made, the housing authority is ready to get to work on a program of the actual location and design of suitable buildings. In the location of dwellings is involved a multitude of considerations. The inconvenient arrangement of many of our cities today is the product of heedless and haphazard growth in the past. Today we see that we could achieve more beauty and create stabler values by careful planning. A housing project should be seen against a complete city pattern where business districts are located in the most appropriate areas as indicated by past changes and future trends and residential districts in proper relation to them and also in proper relation to educational and recreational centers, transportation, and shopping centers. Then preliminary plans and cost estimates might be made for the housing projects themselves in order to give some approximate idea of how the

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County Managers and Near-Managers in North Carolina

While Durham is outstanding example of county manager plan in North Carolina, numerous other counties have, to some degree, centralized government under an administrative officer

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In 1927 the North Carolina legislature passed enabling legislation whereby any county in the state, either on the initiative of the county board of commissioners or on petition of 10 per cent of the electors followed by a favorable referendum, might appoint a county manager. The manager might be a new officer appointed by and responsible to the board, or the duties of a manager might be delegated by the board to one of its members or to some other elected official.

This act was passed in response to a widespread demand for more centralized responsibility in county government and after a number of counties had provided for county managers through public-local acts, that is, acts passed by the legislature applicable to a single county. Prior to the passage of the general enabling act, managerships had been established in Alamance and Davidson Counties. The Alamance manager was elected as chairman of the board and manager. The Davidson manager was an appointee of the board.

The same legislature that authorized the employment of managers passed an act requiring that every county should have a county accountant. This office likewise could be a whole-time office filled by the board or the duties might be delegated to another officer, such as the register of deeds or a member of the board. Even prior to the passage of this act a few counties had set up the office of auditor with essentially the same duties as those proposed for the county accountant. These early auditors were normally appointed by the board, though in a few cases they were popularly elected. Every county now has a chief fiscal officer who bears the title of auditor, county accountant, or both.

Since one of the principal duties proposed for a manager was the management of county finances and since this need was met by the appointment of county accountants, one of the strongest arguments for a manager was removed. Other duties proposed for the manager were to act as purchasing agent and to supervise public works, which consisted almost solely of highway construction and maintenance. The transfer of all secondary roads to the state in 1931 further reduced the need for a manager. At least, it weakened the demand for managers.

Nevertheless, since 1927 several counties have set up managers, or so-called managers. The managership has almost invariably taken one of two forms—the designation either being given to the chairman of the board or to the county accountant. Several of one type or the other have been set up and later discontinued. Of the two which were set up under local acts prior to 1927, Alamance has continued to have a chairman-manager without interruption, but Davidson abandoned the plan in 1929. Among the counties which have had a manager of some type but have dropped the appellation, if not the office, are Cleveland, Guilford, Iredell, and Mecklenburg.

SIX COUNTIES WITH MANAGER

At the present time there are six counties in the state which designate an official as manager. As previously explained Alamance County has a chairman-manager. The five counties with appointive managers are Durham, Catawba, Person, Pitt, and Robeson. Of these, only the Durham County manager is recognized by the International City Managers' Association and listed in its directory. D. W. Newson has been county manager of Durham County since 1930. Since Durham is an urban county with various institutions and activities not normally found in a North Carolina county there are many managerial functions to be performed. Although Mr. Newson makes no appointments himself, thereby falling short of the manager ideal, all officials, elective as well as appointive, make regular reports to him and all departments are subject to strict budgetary control. In addition to his general administrative duties, he personally serves as tax supervisor, county accountant, auditor, and purchasing agent. He meets with the board and acts as their agent and spokesman between meetings.

In the other four instances, as well as in Durham, the manager performs the duties of tax supervisor and county accountant and has other miscellaneous duties. Not being so highly urbanized these other counties do not have as great a variety of services to perform. The power of the manager depends both on his energy and aggressiveness and on the disposition of the board to delegate authority. It is understood that the Robeson County manager has been given considerable latitude by the board and is perhaps as much entitled to be listed with the city managers as is the manager of Durham County.

Less is known of the so-called managers in Pitt, Person, and Catawba Counties, but from what can be ascertained by inquiry the appellation of manager has no particular significance and the men holding the position in these three counties have almost identical duties with those officials in other counties who are serving both as tax supervisor and county accountant. In no less than forty-one counties the same person is serving as county accountant (or auditor) and tax supervisor and undoubtedly many of the thirty-six not called managers come as near to being managers as the five who are called managers.

OTHER ADMINISTRATIVE OFFICIALS

Likewise there are a number of counties in which the chairman of the board, or some other member of the board, devotes half or more of his time to the administration of county business and might quite reasonably be termed manager. This is the case, for instance, in Guilford and New Hanover Counties, and will be the case in Pender County if the commissioners exercise the authority given them in a 1937 local act to appoint one of their number as manager.

If Pender has acted since the legislature adjourned there are then seven counties in the state with managers—two being also members of the board and five being appointees of the board. There are other counties like Craven, Davidson, and Orange with strong accountants who approach the stature of managers.

There are a few slight variations of the above patterns which might be mentioned. Buncombe County (containing the city of Asheville) has three full-time commissioners, each assigned certain responsibilities but none of whom is either tax supervisor or county accountant. New Hanover has a popularly elected auditor who performs the duties of county accountant, auditor, and treasurer—an arrangement which violates all sound principles of fiscal control but which has given perfect satisfaction for many years. The county accountant is also treasurer in Hertford, Haywood, Beaufort and Polk Counties. In Jackson County one of the commissioners is tax supervisor and treasurer. In Macon and Henderson Counties one of the commissioners is county accountant. In Randolph, Martin, and Currituck Counties the register of deeds is county accountant and in Dare County the clerk of court keeps the financial accounts.

Thus, while North Carolina has no county managers that are the strict counterpart of the city manager, it has numerous counties which have a strong fiscal officer who has introduced order and unity into county administration. If he possesses vision and initiative as well as a sense of orderliness, he can unquestionably exert great influence with the board. While it is certain that there are a few of this latter type, it appears that most of the county accountants are content to be mere bookkeepers.

HOUSING PROBLEM

(Continued from Page 520)

federal and local subsidies are apt to run, as an indication of the practical possibilities of the proposals. After the United States Housing Authority makes clear its requirements on its application form, it will be possible and practical to work out plans in detail. Finally, the local housing agency has the important task of awakening and educating its own area to the importance of active participation under the national act. This activity will prove no small task in some sections, and the authority will have to work hard to maintain its own life blood.

Housing under the new act has put roots into the ground. But the bloom cannot yet be expected to be perfect or profuse. Yet as it grows and takes its place in the national garden, pollen will fly from it to neighboring plants and vice versa. Housing should bring new life to city planning, to zoning, to subdivision control; and these techniques should in turn be of great assistance in formulating a housing plan. There should be interaction to mutual benefit between housing and the fields of public sanitation, health, and recreation. The relation of housing to taxation should be readily observed and "state and local authorities should consider the reduction of the rate of taxation on buildings and the corresponding increase of such rates on land in order to lower the tax burden on home owners and the occupants of low-rent houses, and to stimulate rehabilitation of blighted areas and slums," as a splendid new report of the National Resources Committee, entitled *Our Cities: Their Role in the National Economy,* points out. New standards and techniques in building and architecture should come about through constant experimentation, which should be stimulating to private building in competition.

All these factors and many others are inextricably tied up in the great industry of providing decent shelter for the inhabitants of a nation, and what could be more inspiring than to watch the sparks of public housing kindle into flaming effort every movement toward the creation of a more beautiful and abundant American life?

Comparative Statistics and the Measurement of Efficiency

If municipal research is to be characterized by a scientific attitude what techniques and methods should it employ?

HERBERT SIMON

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COMPARISONS between cities have long been a favorite pastime among those who like to "point with pride" or "view with alarm." There was a time in fact when municipal reform consisted principally in classifying officials as good or bad, electing the good ones to office and throwing the others out.

But sweeping comparisons, pictures painted in blacks and whites, have little place in the municipal research of today. The student of municipal government is not much interested in the use of comparisons for the purposes of praise and blame. He is interested in the factors which make for governmental efficiency and inefficiency, and in the measures which might be taken to improve existing governmental structure. If he employs comparisons at all, it is for the light they may throw on the way in which government functions.

If municipal research is to be characterized by this scientific attitude, what techniques and what methods will it employ? To decide this, we must know first exactly what we want to accomplish. We must inquire a little more closely into the objectives of municipal administration and the nature of the appraisal process.

A city is primarily a service agency. It collects refuse, educates children, extinguishes fires, prevents crime. The first question that must be answered in appraising a city is: How *adequately* and *effectively* does it perform these services?

A second characteristic of a city government is that it is a part of the economy of the community. It requires resources for its support, and these resources are limited. In view of the limitation, it is necessary to ask not only, what is the city accomplishing, but further, is the city obtaining maximum results from available resources—that is, is the government efficient? A wealthy community may offer its citizens more services than a community with less abundant resources, but it does not necessarily follow that the administration of the former is more efficient.

These are the questions that municipal research can try to answer:

First, how effective and adequate is the city government? Is it healthy, is it safe, is it clean, are recreation facilities adequate?

Second, how *efficient* is the city government? Are funds being wisely expended? How low are unit costs for street cleaning, for book circulation?

Third, what can be done to increase efficiency? Should the health department budget be increased? Is it advisable to modify personnel methods? Should refuse collection trucks be replaced?

Having determined what it is that we are trying to accomplish, the next step in a scientific approach is to devise methods of attacking the problem. How can adequacy and efficiency be measured? How can the effects of administrative performance and methods be isolated?

TECHNIQUE OF MEASUREMENT

Let us consider a specific municipal function, the fire department. Its objective is the reduction of the total fire loss. The extent of this loss will be determined by a large number of factors—*natural factors*: frequency of high winds, heavy snowfall, severe cold weather, hot, dry weather, tornadoes, hurricanes and cyclones, earthquakes, and floods; *structural and occupancy factors:* exposure hazards, physical barriers, density of structures, type of building construction, roof construction, contents, and risk of occupancy; *the moral hazard:* carelessness and incendiarism; finally, the adequacy of the fire department itself.

The fire loss will be a reflection of all these influences, and if the fire department is to be studied, it must be considered an integral part of the total picture. To understand this picture, it is necessary to examine a wide variety of data.

Where is the data to be obtained? There are two possible sources: either from an examination of trends within a city over a period of years, or from an examination of data gathered from a number of cities or from different sections of the same city. That is, in our study of fire losses we might select a group of cities more or less similar in size, situation, and structure and collect data on fire losses, climate, amount of frame construction, prevalence of wooden shingles, hazards of occupancy, and business conditions.

The statistical analysis of this data should reveal the relation of the fire loss to the most important of these factors. A study of the trends in fire losses in Boston as related to business conditions clearly demonstrated, for instance, the part which the moral hazard —incendiarism—plays in the fire problem. When these extra-administrative factors have been accounted for, it can be presumed that any remaining differences in fire losses are due, in large measure, to differences in the effectiveness of fire departments.

This, then, is the first problem in the use of comparative data for the analysis of governmental functions: to reduce results to equivalence by eliminating factors which are beyond administrative control. If this step has been satisfactorily carried out, it is not difficult to arrive at a measure of efficiency by relating the adjusted results to the cost of operation—again by correlational methods.

FACTORS INVOLVED IN EFFICIENCY

Now it is important to understand a situation. But it is equally important to know what can be done about it. And so, comparative statistics have a second important function in discovering the reasons for efficiency or inefficiency.

To accomplish this, we must find out what the government is doing, how much it is doing, and how it is doing it. And then we must evaluate the governmental performances and activities in terms of the previously measured results.

To understand the significance of administrative methods and performance, let us examine a little more closely the governmental process. We have said that it is the function of the fire department to reduce fire losses. How does it perform its task? It inspects buildings to eliminate fire hazards. It carries on campaigns of education against carelessness, it fights fires, it investigates and prosecutes incendiaries. The extent to which it does each of these things can be measured.

But we can carry the analysis a step further. Of what does fire-fighting consist? A piece of apparatus must be brought to the scene of action, hose laid, water pumped and directed upon the flames, ladders raised, covers spread over goods to reduce water damage. Again, each of these activities can be measured, and in turn analyzed into its component parts.

What does laying a hose involve? The hose must be acquired and maintained. Equipment for carrying it must be acquired and maintained. The firemen must spend a certain amount of time and energy in laying it. Again we have a number of measurable activities which can be analyzed further in the same way—until finally we reach the cost of individual items of expenditures. The whole process of fire fighting can thus be translated into entries in the city's books of accounts.

The problem of efficiency can then be restated: how can these expenditures be combined in such a way as to achieve a maximum reduction in fire loss?

In the same way we could study organizational and methodological factors, except that the latter are not usually measurable in quantitative terms. We might have analyzed the fire department personnel, for instance, in terms of the methods of recruitment, their compensation, working conditions, and lines of responsibility.

The governmental process can be pictured as a pyramid. At its apex is the accomplishment of objectives, and supporting these achievements we have successive tiers representing factors of performance, then factors of effort, until, at the base of our pyramid we finally reach the expenditures of government.

Or the mathematically-minded may see in this structure a set of equations. The first equation expresses the results of government as a function of the performance of certain activities. Further equations express these performance units as functions of less immediate performance units, the latter in terms of units of effort, and finally, effort is expressed as a function of expenditures. The problem of efficiency is to maximize results with the limitation that the sum of the expenditures is a constant.

The mathematical formulation of our problem suggests a method for attacking it. If the nature of each of these equations can be roughly determined from an examination of the data of actual measurements, then it can be determined how expenditures can best be distributed for maximum achievement. That is, we must discover how much each activity contributes to the result, and then, knowing the cost of the activities, we can combine them in the most effective manner. This again, is a problem to which statistical analysis of comparative data is applicable.

Take again, for illustration, the fire department. Suppose a number of cities have been ranked as to relative efficiency. Then we may discover, for instance, that the more efficient cities tend to spend a larger proportion of their budget on fire prevention rather than fire fighting activities—or for personnel rather than equipment. Such studies should throw light on the direction which changes in fire department organization or methods should take.

Municipal research, then, has two tasks—to appraise city government and to suggest means of improvement. Each of these tasks requires data, and comparative municipal statistics will supply much of the information that is needed. But if such statistics are to be valuable they should be used not primarily to rank or score cities, but as materials for the analysis of the factors making for efficiency or inefficiency.

If the scientific attitude is to prevail in such research, statistics must be considered not so much a means of visiting judgment upon cities as a means of pooling their experiences in arriving at factually based principles of administration.

EDITOR'S NOTE.—The article above is taken from an address delivered August 13, 1937, before the conference of the Governmental Research Association at Ithaca, New York.

SAGINAW ADVANCING

(Continued from Page 516)

and wage schedule installed, and the first annual restudy promises adjustments in wages and hours to keep pace with industry.

Special committees, composed of department heads and other officials, on purchasing, insurance, investments, and special assessments, recommend city policies and procedures on questions arising under the titles. The purchasing committee, for instance, is composed of the city manager, purchasing agent, director of finance, and city clerk.

Saginaw's city hall family holds biweekly luncheons for informal discussions of staff problems and city affairs. For its educational value, practice is to have a high school civics class represented, along with the newspaper, it thus gaining background material "off the record."

The city's public relations agency is its bureau of information and complaint, a charter creation. To it citizens go with questions or complaints which are handled by the bureau directly or referred for proper disposition. Every request is followed through and a report made to the citizen.

Another means of making citizens feel their city government actually is theirs is the policy of filling every request for information. The new administration was sought by luncheon clubs, women's clubs, parent-teacher groups, church associations, and the like. The city manager at first took around his department heads, introduced them (many were strangers because the administration has not hesitated to go outside for competent officials) and each would speak briefly. Later the manager began taking along a "stooge" from his staff and they would put on a twenty-minute dialogue. This gives any group a graphic, interesting, and entertaining view of governmental affairs. The local press, a strong factor supporting the reorganization movement, gives wide swaths of space to these demonstrations, reaching thousands in addition to those personally contacted.

With all these accomplishments, officials insist that changes are only getting started on what was laid down as a four-year program but which may require six years. Big jobs still are to be done in many lines. One of three slum areas has been cleared away for park development. The city lacks park and recreational advantages. Aid in building up its Great Lakes port is just beginning. It has a program of up-river water supply pollution control. A sewage disposal plant is on the table. The first building code is being written into the new municipal code, itself rewritten to cull out antiquated provisions. Planning work is rising from the ashes of a city hall fire two years ago. Considering these, it appears that Saginaw's story still is in an early chapter.

Nation-wide Highway Planning

A true picture of highway administration in its proper relation to other governmental activities to be made available through surveys covering all the states

J. T. BARTON *Texas Highway Planning Survey*

The state-wide highway planning surveys now being made in forty-four states[1] are coördinated under the technical guidance of the United States Bureau of Public Roads and constitute a gigantic research project that heralds a new and enlightened era of highway administration. The need for comprehensive highway planning has been evident for some time. The immediate reason for the beginning of this work on a nation-wide scale, however, was the urgent demand for information necessary in the selection of a federal aid system of secondary or feeder roads.

After Congress in the national industrial recovery act of 1933 set aside funds for improving secondary roads, state and federal officials soon realized that very little was known of the condition, comparative use, relative importance, or even the location of many of these roads. As a result of this situation, the Hayden-Cartwright act of 1934 provided that 1½ per cent of the year's allotment of federal funds to the various state highway departments might be matched with the state funds and used to finance highway planning surveys. Subsequent federal legislation has carried similar provisions.

These surveys are broad in scope and are doing much more than supplying data necessary for the selection of a secondary road system. In fact, they are compiling information that is sorely needed in forming policies concerning our automotive transportation system as a whole—including state highways, secondary roads, and city streets. In their search for pertinent information, highway planners are concerned with all units of government. The whole structure of government is being studied in order to get a true picture of highway administration in its proper relationship to other governmental activities. Because of the nature and variety of facts sought by the highway planning surveys, persons concerned with local government should be interested in the several projects within each survey.

Although safety studies have been outlined for the near future, the three major organizational divisions of the various state surveys at present are (1) the rural road inventory, (2) the traffic survey, and (3) the financial survey.

The rural road inventory division is measuring and charting the directions of all county roads and state highways. Supplementary information is being collected concerning the types and conditions of road surfaces, the dimensions and states of repair of bridges, underpasses and overpasses, the location along each road and highway of all man-made developments likely to affect traffic (for example, houses, schools, factories, churches, cemeteries, etc.). Special measurements are being made of railway crossings. In addition, a study is being made of sight distance and curvature on state highways. From the data collected, several series of highly detailed road maps are being prepared of forty-four states and of each county in these states. Thus, there will be available for the first time a set of maps showing the entire road system. Plans are now being made to bring these maps up to date periodically.

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[1] Highway planning surveys have not yet been started in Connecticut, Delaware, Mississippi, and New York.

The work of the traffic survey consists in counting and classifying the various types of vehicles that use state highways and county roads. The traffic count on state highways operates continuously for a full year and is made by men who work at a number of different key stations according to prearranged schedules. These schedules provide for each station to be worked, from time to time, on different days of the week and at different hours of the day and night. The hourly, daily, and seasonal variations of total traffic are determined by automatic traffic recorders which are operated contінously at especially significant points on both state highways and county roads. One eight-hour count is made at each of a great number of places on county roads, and repeat counts are made at a smaller number of more important points. The twenty-four-hour average of the flow of traffic at all stations is being estimated from factors developed from information obtained at key stations and by automatic traffic recorders. Data from the various stations are also being arranged to show daily, seasonal, and secular variations. Special attention is being directed to the use of state highways by trucks and buses; crews of men operate for a year on schedules like those mentioned above and weigh and measure commercial motor vehicles and get information concerning loading practices. In addition, these crews obtain origin and destination data by interviewing truck drivers and distributing postcard questionnaires to drivers of passenger cars. This same information is also being obtained by men who count traffic on county roads where cars can be stopped conveniently. From the mass of data collected, state-wide and nation-wide traffic flow maps are being prepared. These maps and their accompanying statistical tables will play a leading role in the formulation of future highway policies.

The financial survey is made up of four projects: (1) the fiscal study, (2) the motor vehicle allocation project, (3) the road use study, and (4) the road life study. In some states one or more of these projects, most often the last two named, are given a separate status in the organization,[2] but usually all four are considered branches of the financial survey. In any event, each project is worthy of individual consideration.

The work of the fiscal study is to provide a statement of receipts, disbursements, and indebtedness for each state and all its counties, municipalities, and other governmental jurisdictions such as townships and special districts. (In many states this will be the first complete compilation of such data ever made.) The analysis of this information is designed to show the proportions of all public receipts, expenditures, and indebtedness that have to do with highways, roads, and streets. Particular attention is being given to the taxes paid by urban as opposed to rural residents and to the governmental expenditures made for the benefit of each group. Total highway resources are being studied in order to discover the economic limitations that should be imposed on a program of highway construction and maintenance.

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[2] In Texas, for example, the road life study is given a separate status.

The motor vehicle allocation project is using questionnaire postcards to ascertain the number of motor vehicles owned in rural areas and in each of eleven different population groups of incorporated cities and villages. From the data collected gasoline tax receipts are being classified according to the amounts paid in rural areas and in each of the population groups.

The road use study is designed to make a breakdown of total vehicle miles into the proportions traveled by rural and urban residents (classified according to population groups) on each of the various road systems. This information is being collected on detailed questionnaires which request the routes followed during a year's driving. In some states the field work is being done by trained personal interviewers, and in others it is being done by high school students who are taught by field instructors how to interview their parents or friends. The road use study is furnishing the first reliable information concerning the relative use of state highways, city streets, county roads, and the roads of special jurisdictions such as townships. When combined with information from the fiscal study and motor vehicle allocation project, it will also show the relationships between the use of the several road systems by the various classes of car owners and the highway taxes paid by these classes.

The road life study is concerned with the various types of road surfaces and bridges used on the state highway systems. All construction contracts are being analyzed in order to determine costs and dates of construction and types, dimensions, and design features. This information is being supplemented with the dates of retirement and the reasons for retirement of the various types of road surfaces and bridges. In addition, maintenance studies are being made in order to arrive at annual average costs for the upkeep of different classes of construction. The information compiled by this study should be of great practical value in planning future construction programs.

The information collected by each division of the various statewide highway planning surveys bears important relationships to the information collected by the other divisions. In fact, the highway planning survey in each state is made up of interdependent projects. These projects have as their mutual objective the bringing together for the first time of a mass of much needed information in usable form. That the information will actually be used has already been proved in several states where the field work has been largely completed and where the surveys have advanced to the analysis stage. The Bureau of Public Roads is arranging to use the information on a national scale as soon as the various state organizations submit their data.

Construction cost, maintenance expense, the rising price of right-of-way, the demand for improvement of existing highways, the growing importance of secondary or feeder roads, the acuteness of traffic congestion in metropolitan areas, the need for elimination of traffic hazards, and the growing dependence of the public on motor vehicles for both passenger and freight transportation combine their myriad influences to make the cost of rational highway planning much less than the cost of *replanning, relocating,* and *reconstructing.*

Six Years of Managership in Arlington County, Virginia

Reduced water rates, low insurance rates, and efficient financial procedure among the advantages enjoyed by Virginia's smallest county under its new form of government

CEDRIC LARSON *Library of Congress*

JUST south of the District of Columbia, across the Potomac, lies Arlington County, Virginia, which since the beginning of 1932 has served as a laboratory of county managership. With nearly six years of trial of this plan to its credit, it is fitting that an examination and appraisal be made of the workability of this type of county government.

Arlington County, Virginia, is the smallest of that commonwealth's one hundred counties. Its area is only about twenty-five square miles. When the District of Columbia was constituted nearly a century and a half ago, it was laid out in the form of a square with the Potomac flowing through the middle. Each boundary line was ten miles long, giving the district an area of one hundred square miles. Arlington County was once a part of this area, but about fifteen years prior to the outbreak of the "war between the states" the national government ceded it back to Virginia as there had been some dissatisfaction manifested at the erection of all the executive, legislative, judicial, and departmental buildings on the Maryland side of the Potomac. The area returned was known as Alexandria County until 1920, after which it was renamed Arlington County.[1]

The population of Arlington County at the time of the 1930 census was 26,615 but today this figure is reliably estimated to be about 41,000, giving a population density of approximately 1500 per square mile. Three-fourths of the inhabitants are employed in the federal government. Four traffic bridges, including the famous Lincoln Memorial and Key bridges which are the last word in modern bridge construction, span the Potomac to bring the residents of Arlington County within ten or fifteen minutes' drive of their places of work, which is generally concentrated in the buildings abutting Constitution Avenue in the capital city, the so-called "federal triangle." The Virginia County offers, then, all the earmarks of a suburban area under a county form of government.

Arlington is made up of a score of more or less contiguous communities—Clarendon (near which is situated Arlington courthouse), Lyon Park, Lyon Village, Ballston, Rosslyn, Park Lane, Cherrydale, Lee Heights, and East Falls Church—to mention but a few of the better known ones. None of these communities are incorporated towns. Also within its boundaries lie the world-famous Arlington National Cemetery, Fort Myer (an army post), the Lee-Custis mansion, a federal experimental farm, an airport, three radio stations, and a number of modern apartment house projects, playgrounds, and parks. The county is enmeshed with a fine system of streets, highways, and roads, including portions of the picturesque Mount Vernon Memorial Highway and Lee Highway.

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[1] An excellent picture-story of Arlington is contained in "Virginia's Fastest Growing County," by Oliver Martin, *The Transmitter,* Washington, D. C., June, 1937.

In 1926 the Virginia legislature took cognizance of the suburban nature of Arlington County by giving it power to install and operate civic utilities and to adopt the framework of the manager plan if desired. After much deliberation and planning, county manager government was launched on January 1, 1932.

The framework of the plan as it exists today in Arlington County is as follows:

THE LEGISLATIVE BODY

The voters elect a county board of five members for staggered four-year terms, and the board elects one of its members annually to act as its chairman, who is *ipso facto* "official head of the county." The board may abolish by a majority vote any other board or commission or officer in the county except the school board, the school superintendent, the trial justice, or other elective officers. In the case of the abolition of any such office, its duties may be reallocated at the will and pleasure of the board among the other offices and boards of the county.

One of the most important duties of the board is the selection of a county manager, accountable to it alone, who serves at its pleasure. This appointee need not be a resident of the county or even of the commonwealth of Virginia. The constitutional provision states:

> The administrative and executive powers of the county, including the power of appointment and of all officers and employees whose appointment or election is not otherwise provided by law, are vested in an official known as the county manager, who shall be appointed by the county board at its first meeting or as soon thereafter as practicable. He shall receive such compensation as shall be fixed by the board.

The manager's term of office expires on December 31st of each year, and he is to receive sixty days' notice in case his services are not to be renewed for the coming year. His remuneration is determined by the board and paid from county funds. The board may at any time remove him for "neglect of duty, malfeasance or misfeasance in office or incompetency." The present remuneration of the county manager is about $7,000 plus certain expenses. Frank C. Hanrahan, who has a long record of public service behind him, is the county manager holding office at this time.

The manager has under his jurisdiction all matters pertaining to county roads and bridges, and other public work and business of the county, construction and maintenance projects, the purchase of all supplies, equipment and material, and the employment of superintendents, foremen, and labor. He appoints the following officials: county auditor, county librarian, building inspector, electrical inspector, engineer for highways, engineer for water department, engineer for sanitation (sewers), health officer, plumbing inspector, purchasing agent, refuse inspector, welfare director, shop superintendent, road superintendent, water superintendent, and all subordinate employees.

There are some eleven boards besides the county board, and their composition and duties may be succinctly outlined. The judge of the circuit court[2] names a three-member school trustee electoral board the members of which hold four-year terms. Their capacity is of an advisory nature largely, but they appoint the three members of the school board who hold office for a four-year term. The school board determines policies, draws up the school budget, and approves teachers and principals on the recommendation of the superintendent of schools who is named by the state board of education. The school board cannot appropriate or spend money until the county board appropriates it to them.

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[2] Virginia has the following provision for selection of the judge of the circuit court: "For each circuit a judge shall be chosen by the joint vote of the two houses of the general assembly for a term of eight years. He shall, when chosen, possess the same qualifications as judges of the supreme court of appeals, and during his continuance in office shall reside in the circuit of which he is judge." (Constitution of Virginia, § 96).

The duties of a finance board consist principally of hearing reports of the treasurer and advising him.

The health officer, appointed by the county manager, acts as director of health and welfare activities. An assistant selected by the commonwealth works with him (since the state furnishes 60 per cent of the funds for welfare and the county 40 per cent). A board of public welfare (six members appointed by the judge of the circuit court for a term of not longer than four years) and board of health (two ex-officio and three medical members appointed by the state health commissioner) act in an advisory and consultative rôle to the health officer and his assistant. Such activities as outdoor relief and the community chest are handled through these offices.

The electoral board (three members appointed by the judge of the circuit court for a term of four years) arranges for elections, ballot printing, and the like. An electrical board and plumbing board report and advise on matters falling within their special fields. The three members of the reassessment board are appointed by the judge of the circuit court each calendar year and their competence lies within the field of settling tax values.

The board of zoning appeals, five members appointed by the judge of the circuit court, hold public hearings for land classification, rezoning, and similar business. During the past few months there has been created in line with the new state law, an Arlington County Planning Commission, appointed by the county board to act in an advisory capacity to the county board and the county manager. The commission coöperates with the National Resources Board with its larger nation-wide program and aims, and is appointed under the new state planning law.

Popularly elected are the county (police) court judge, county clerk, commissioner of revenue, commonwealth's attorney, sheriff, and treasurer. A word or two should be said concerning some of these offices.

The sheriff of the county is chosen at the polls and has a staff composed of a deputy sheriff and about twenty-five (uniformed) policemen or deputy sheriffs, equipped with motorcycles and radio cars. The treasurer and the commissioner of revenue function as state and county officials, the state paying one-third and the county two-thirds of their salaries. The commissioner of revenue makes assessments and the treasurer collects taxes and all other county money. The commonwealth's attorney is elected at large and acts as prosecuting attorney in both the county and circuit courts, as well as expert legal counsel and advisor to the county manager and the county board. The state bears half of the expense of this office.

CHEAPER WATER

Arlington County owns its own water distribution system, water being piped from the supply of the federal government. This utility is entirely self-supporting. Various reductions in rate have been made since the installation of the system. The water rates may be said to reflect true savings obtainable under the county manager form of operation, a service administered entirely upon a business basis. The following data give the reductions enjoyed in domestic rates:

1927. February 28. Flat rate $24.00 per annum for maximum of 40,000 gallons. Excess charge, 30 cents per thousand gallons.

1933. January 1. (Reduction). Flat rate $20.00 per annum for maximum of 40,000 gallons.
- Next 20,000 gallons—30 cents per thousand gallons.
- Next 20,000 gallons—25 cents per thousand gallons.
- Over 50,000 gallons—22 cents per thousand gallons.

1936. July 1. (Reduction). Flat rate $18.00 per annum for maximum of 48,000 gallons.
- Next 20,000 gallons—27 cents per thousand gallons.
- Next 20,000 gallons—22 cents per thousand gallons.
- Over 52,000 gallons—20 cents per thousand gallons.

Two twenty-inch trunk water mains, which will be able to supply a flow of about 23,000,000 gallons of water daily to Arlington County, are replacing the present trans-Potomac pipes, which have a capacity of only about 5,000,000 gallons daily. The increased supply will of course come from the same source.

A new sewer system costing close to three million dollars was recently completed. This comprises several miles of trunk and lateral sewers, as well as a sewage disposal plant (the first and only one of its kind in the commonwealth today), which latter unit cost about $250,000.

The chief of the Arlington volunteer fire department is named by the county manager, and there are eight companies which operate on an annual budget of below $50,000. There are about twenty pieces of apparatus, including pumpers, hook and ladder truck, rescue squad wagon, and an ambulance. The fire chief coöperates with the state fire marshall in fire prevention and general safety measures. The equipment and service given places Arlington on lower insurance rates than many large cities enjoy.

Although the county has appreciated library facilities for many years, a newly inaugurated system has been put into effect during the past few months which centralizes control and thereby results in better coördination of effort. The chief librarian is named by the county manager. This librarian maintains a centrally located office and supervises a half-dozen branches scattered at focal points throughout the county.

FINANCIAL IMPROVEMENTS

The fiscal, and perhaps most important, side of county managership now remains to be examined. Each year the manager must make and submit to the board by March 15th a tentative budget in accordance with the law governing county budgets. This must show in detail all the recommended expenditures, including those for roads, bridges, or other similar purposes. Prior to April 30th the county board may alter, amend, or change any item in the proposed budget but if no change is made by that date, it is considered as being in full force and effect thereafter. After April 30th changes in the budget can be made only upon recommendation of the county manager and approval of the board, but in no case can the range of such reallocation of funds exceed 10 per cent.

The 1937-38 budget, including water system and education, amounts to something over $1,400,000. The budget for the year ending June 30, 1937, was $1,313,571 for all purposes, of which sum $439,500 was for schools and $242,460 for water: excluding these two services, the general budget was $631,611.

Shortly after the manager plan was introduced, serious defalcations of county funds were unearthed, amounting to about $750,000, in a county whose annual budget averages under a million and a half dollars. Because of these defalcations the report of the auditor of public accounts of the commonwealth of Virginia shows that on July 1, 1932, Arlington had a deficit of $358,750, but one year later a surplus of $50,213 was shown. About half of the moneys in defalcation were recovered through the bonding companies. Figures for 1934 and 1935 exhibited increases of surpluses in the balance figures of $60,521 and $173,696 respectively at the close of the fiscal year—surely a tribute to the business-like operation of the manager plan.

CONTROL OF FINANCES

Arlington County has installed an efficient accounting and cost control system, by means of which detailed information regarding the financial condition of any department or enterprise of the county is available to any taxpayer at a moment's notice. Within the past few weeks the practice has been followed of adopting a daily budgetary control whereby a trial balance is struck every day at 4.30 p. m., showing all obligations, whether paid or unpaid, or commitments against each appropriation which is broken down to its various subheadings. This daily budgetary control is a check and safeguard against the leakage, misappropriation, or embezzlement of public moneys. In addition to this, there is an engineer who tabulates through uniform cost accounting progress and production on all county jobs and contracts from beginning to end by means of a "daily yardstick" calculated for each individual piece of work. A quarterly check is also made against engineering projects and public services to watch the inflow of receipts and taxes as compared with expenditures.

The county enjoys a uniform tax levy which is set for Arlington as a whole by the board, hence there is no overlapping of tax districts or "crazy-quilt" of *ad-hoc* authorities within the county.

For the fiscal year ending June 30, 1936, the assessed value of real property in the county was $21,745,800 with the estimated true value at $54,364,500, the comparative figures for personal property at the same time were $3,008,231 and $7,520,578, and for public service corporations $1,707,652 and $4,269,130, or a total assessed value of $26,461,683 against an estimated true value of $66,154,208—a rate of about 40 per cent of total assessed value to total true value. The total assessment for 1937-38 is about $33,192,042 or a per capita of about $809. For the fiscal year ending June 30, 1936, the per capita tax expenditure was $23.52 after water department, miscellaneous revenue, and moneys from the state had been deducted. In the "Report of the County Auditor: Year Ended June 30, 1936," appears a table giving the assessed value and estimated true value of all taxable property from 1931 to 1936 inclusive. Figures in every case for real property, personal property, and public service corporations show a "ratio of total assessed value to total true value" of 40 per cent—which reveals a very low rate for Arlington in contrast with comparable areas or cities of its size.

A word should be said about comparison of Arlington with other counties of Virginia financially. The latest comparative figures published by the auditor of public accounts is for the year ending June 30, 1935, covering the one hundred counties of the commonwealth. In that year Arlington derived 85.02 per cent of its total revenue from local sources, against the average of one hundred counties of 67.16 per cent. Virginia's supplement for the year was 14.88 per cent or $152,800 for Arlington County, whereas the mean was 31.05 per cent; the federal contribution was one-tenth of one per cent or only $1,000 as compared to an average federal supplement of 1.79 per cent (only twenty-seven Virginia counties received any federal aid during this particular year.

The average per capita for total expenditures and other charges for the year ending June 30, 1937, reveals a figure of $35.59 (on the basis of 1930 population figures) or less than 10 cents per day per person for the cost of government in Arlington County. The per capita for the commonwealth for the same period was $12.06. This seemingly large difference is somewhat artificial and statistical, as may be readily seen by the several offsetting and compensating reasons which account for the higher rate. The huge deficit of moneys experienced through peculation mentioned previously amounted close to $400,000 even after bonding companies had made good their bonds on public officials, and this had to be met out of taxes. Arlington is an urban community and enjoys many services, such as free garbage collection and trash disposal, which other Virginia counties do not have. The complexion of the population of Virginia as a whole tends to be rural in nature and distributed over a large area. Again, the percentage of the negro population in Arlington is small, being about 10 per cent, which makes the average standard of living high, and this is reflected in a higher tax rate. The Virginia auditor of public accounts, further, still uses the 1930 census as a basis for computation of the per capita costs and the county has increased its population from 26,615 in 1930 to about 41,000 at present, a fact which would sharply lower the true per capita expense, which may more reliably be placed at the above-cited figure of $23.52 after deducting the self-supporting water expenditures, miscellaneous revenue, and state allocations.

TAX RATE COMPARISONS

Additional light is shed upon the tax situation in Arlington County in some data and figures of the commissioner of revenue of the county, Hon. Harry K. Green.[3] The county tax rate is $2.70 on $100 valuation and the assessed valuation is approximately 40 per cent of the market value. If the tax rate were levied on the true market value, the rate would be reduced to $1.10 per hundred. The comparative rate on District of Columbia real estate where there exists full market value assessment is $1.75 on the hundred for 1937-1938 (an increase of $0.25 over 1936-1937 when the rate was $1.50 per hundred). Thus a $20,000 home in the District of Columbia with a rate of $1.75 would be taxed at $350. A $20,000 home in Arlington assessed at 40 per cent or $8,000 would be taxed at $216, or a saving of $134. Montgomery County, Maryland, which borders on the District of Columbia and is a suburban area, has a rate of about $2.33 on the hundred (a figure which excludes certain special assessments in the metropolitan area), and the assessed valuation of this county is about 70 per cent of the market value. Property valued at $20,000 in Montgomery County would be taxed at the rate of $2.33 per hundred (leaving out special assessments) or $326.20—

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[3] *The Arlington Courier*, Arlington, Va., September 16, 1937, p. 4, 6, 8.

$110.20 above the Arlington figure. Montgomery County furthermore seems to be plagued by continual financial troubles, and authorities are investigating at present alleged shortages and irregularities in public moneys, while Arlington, by contrast, can tell at the close of any day just how every account stands.

Since 1933 Arlington County has experienced "boom" years. During the past several years the building permits have run about $15,000,000. In 1936 about seven hundred homes were erected in the county and the record for 1937 will considerably eclipse this figure. Modern apartment houses, not over three stories high, are being built on a large scale, with adjacent playground facilities, park areas, and spacious lawns.

Frank C. Hanrahan, Arlington County manager, has just engaged several experts to make a survey of the county's power situation, which apparently presents a vexing problem. Two power companies at present serve the county. The Braddock Light and Power Company supplies about one-eighth of the county with electricity (the Rosslyn district nearest the capital city) and it charges the same moderate rates as are in effect in the District of Columbia as it is a subsidiary of the corporation which serves Washington. The Virginia Public Service Company supplies the electrical needs of the other seven-eighths of the county and its rates are generally about 30 per cent higher. This situation has produced dissatisfaction among users, who feel that the rates ought to be uniform. The survey will consider the advisability of the county building a plant and a distributing system of its own, or procuring all power from Washington, limiting operations to one company, or similar steps, with the proper consent of state power authorities.

Arlington may be said to be one of the pioneer counties in the United States in the field of county managership. At present Henrico and Albemarle are the only other counties in the commonwealth of Virginia which are experimenting with the plan. The apathy in adopting this more enlightened form of county government is probably traceable to a lack of an understanding, by the majority of the citizens of Virginia, of what county managership means, also the failure of county leaders to take the initiative in introducing this form of government, together with the traditional indifference of citizens to local government.

If, however, the success with which progressive counties such as Arlington are meeting can be publicized sufficiently, it may have the effect of securing the adoption of the county manager system not only in Virginia but in other states as well on a much wider scale.

NOTE—The writer wishes to thank Roy S. Braden, Arlington County manager 1932-36, at present community manager at Greenbelt (Berwyn), Maryland, and Frank C. Hanrahan, incumbent Arlington County manager, for cooperation in the preparation of this study.

NATIONAL CONFERENCE ON GOVERNMENT

November 17-20, 1937—Hotel Seneca, Rochester, New York

Topics to be discussed include reorganization of county government, manager government, municipal finance, metropolitan areas, tax limitation, citizen organization, proportional representation, law enforcement, housing, planning, and zoning.

NATIONAL MUNICIPAL LEAGUE

309 EAST 34th STREET NEW YORK CITY

Minority's Right to Live

From Editorial in the Saturday Evening Post

New York City will have an election under its new charter in November, when it will choose, along with a mayor and several borough presidents, a municipal council by proportional representation. The chief reason why New York has adopted proportional voting is that in its present board of aldermen, soon to disappear, there are sixty-two Democrats and three Republicans. Now, the Republican voter is getting to be a rare animal and is regarded by some as approaching extinction, but he is not altogether lost to the naked eye.

By party enrollment there is still one Republican for every five Democrats in New York City. In the last gubernatorial election, there was one Republican vote for every two Democratic votes. In alliance with independent Democrats and other independents, the Republicans were strong enough to elect the present mayor of New York and three out of the five borough presidents.

But in the lower house of the city legislature, the Republicans are just a chemical trace. Such a minority is worse than being ineffective. It is not even vocal. It becomes derisory. It conveys the impression that all the Republicans in New York are dead. Actually, there are at least 300,000 last-ditch Republicans in the big city.

New York has adopted the proportional vote because it wants a real opposition party in the city council, a minority strong enough to make a noise. Proportional representation would save a 20 per cent Republican voting strength at the polls from becoming 5 per cent in the board of aldermen. Other cases will readily occur. If last year's vote in the Electoral College had been redistributed in proportion to the popular vote, the score would not have been 523 to 8, but approximately 325 to 206, which has quite a different look. In the Senate there would have been 60 Democrats to 36 others, as against an actual 75 Democrats to 21 others. In the House there would have been 270 Democrats instead of 335 Democrats. We should have heard of majorities of 100, at most, instead of 200 and more. Proportional representation does, in theory, address a reminder to majority and minority. It warns against undue pride and undue despair. Proportional representation inculcates a sense of proportion.

President Dykstra of Wisconsin on the Manager Plan.—The Chicago City Club *Bulletin* of October 18th contains an interesting account of an address on the manager plan by Clarence A. Dykstra, president of the University of Wisconsin. We quote the following excerpts:

"I am for operation in municipal affairs, and not for exploitation," said Mr. Dykstra.

Answering the argument that a city the size of Chicago was too large to be administered by one man, Mr. Dykstra cited the position of the President of the United States and the executives of our huge business and financial institutions. The city manager plan is merely an application of "typical business organization and common sense."

"Some say that the city manager form is un-American," said Mr. Dykstra. "What is meant by un-American? A thing is un-American because we did not have it a century ago. Plumbing is un-American because George Washington did not have a bathtub! Typewriters are un-American because our fore-fathers didn't have them. We are continually being tricked by slogans."

The secret of the success of the city manager plan, he asserted, is that it establishes an organization to provide personnel capable of getting done what must be done in a community business venture.

"Until Americans think of their local government as an operative business organization to take care of community needs we will get nowhere."

RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmsted

Council Manager Plan Developments.—In Santa Monica, California, a committee is drafting a manager charter.

In San Diego County, California, the County Development Association is advocating the county manager plan.

It is expected that Winnipeg, Manitoba, will vote on the adoption of the manager plan late in November.

The Indiana Junior Chamber of Commerce has adopted as one of its major aims the securing of legislation to enable cities in that state to adopt the manager plan.

In Superior, Wisconsin, the local branch of the coal dock workers' union voted late in September, sixty to one, to instruct the executive committee to take steps to circulate petitions for an election on the adoption of the council manager plan.

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Conference on Educational Broadcasting.—The second national conference on educational broadcasting, to be held at the Drake Hotel in Chicago, November 29th to December 1st, will hear spokesmen for the radio audience, the radio industry, and education, and will present exhibits of accomplishments in educational broadcasting, and also technical exhibits. Representatives of the Federal Radio Education Committee, the Federal Communications Commission, and the Office of Education Radio Project will report on government activity. The conference is open to the public and will include talks on assigned topics, general discussion, and questioning of speakers.

Planning Research Station Established at Buffalo.—The University of Buffalo and the Buffalo City Planning Association are jointly sponsoring a planning research station, which is intended to undertake projects of value both as contributions to the civic development of Buffalo and its environs and as material for research and for training graduate students. It is said to be the first organization of its kind in this country.

The station is under an executive committee headed by Chancellor Samuel P. Capen of the university and including three members named by Chancellor Capen and three named by Mr. Fenton M. Parke, president of the Buffalo City Planning Association. Its technical director is Dr. Walter Curt Behrendt, former consultant on housing, planning, and building for the Prussian ministries of finance and public health and recently lecturer on city planning, housing, and regional development at Dartmouth College. Dr. Behrendt is now professor of city planning and housing at the University of Buffalo and technical director for the Buffalo City Planning Association. The station is assisted by a grant from the Rockefeller Foundation.

The operative staff of the station will include junior internes who will be students in social and public administration at the university, and senior internes who will be graduates of accredited schools of architecture, engineering, and related technical subjects.

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American Municipal Association Convention.—The fourteenth annual convention of the American Municipal Association, held in Chicago October 13th to 15th, was attended by over two hundred people, including representatives of the forty state leagues of municipalities of which the association is a federation. The chief topics discussed were municipal finance, public personnel administration, and municipal airports. At the annual banquet the National Resources Committee's report on *Our Cities—Their Role in the National Economy* was commented on by Clarence A. Dykstra, president of the University of Wisconsin and chairman of the urbanism committee of the National Resources Committee, and by Professor Charles E. Merriam of the University of Chicago and the latter committee, who introduced the speaker.

In the discussion of municipal finance emphasis was laid on the increased dependence of cities on federal funds, and on the hampering restrictions of state legislation concerned with municipal finance.

Resolutions were adopted of the following tenor:

> Opposing rigid tax limitation and homestead exemption laws;
>
> Advocating the merit system in the public service;
>
> Commending the United States Office of Education and the Advisory Committee on Education for their assistance in making possible the present training opportunities for public employees, urging its continuation, and offering the coöperation of the AMA and the state leagues;
>
> Urging Congress to provide funds for an airport development program on a national long-term scale, under a federal plan similar to those for highways and waterways, with a more equitable sharing of the expense of development and operation than heretofore;
>
> Congratulating the National Resources Committee and its urbanism committee on their report on cities and urging on Congress and the President the establishment by the federal government of a division of urban information to serve as a depository and clearing house for information now collected by governments and authoritative private agencies, and also a division of urban research to perform functions for cities similar to those now performed for rural areas by the Department of Agriculture.

Morton L. Wallerstein, executive secretary of the League of Virginia Municipalities, was elected president, and C. C. Ludwig, executive secretary of the League of Minnesota Municipalities, vice-president, for the ensuing year. Clifford W. Ham continues as executive director.

*

Coöperative In-service Training Program in Michigan.—The Michigan State Board of Vocational Education, the University of Michigan and the Michigan Municipal League are jointly sponsoring a program of in-service training of municipal employees. Policemen, firemen, assessors, and municipal electric plant employees are the first in order of the various groups which the program is intended to cover.

*

Larger New York State Villages Seek Home Rule.—At a meeting of nearly one hundred representatives of New York State villages of the first class, held in New York City on October 7th at the call of the state conference of mayors, a resolution was adopted petitioning the state constitutional convention, meeting next year, to grant home rule powers to first class villages. Advantages and disadvantages of mandatory or discretionary incorporation as cities, on the part of villages of more than ten thousand population, were also discussed.

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National Association of Housing Officials to Convene in Cleveland.—Low-rent housing problems of American cities under programs made possible by the Wagner-Steagall housing act will be discussed at the annual conference of the National Association of Housing Officials in Cleveland, Ohio, November 18th to 20th. Members of local housing authorities will consider ways and means of discharging the many duties they will have under the new decentralized program. Representatives of state housing boards will discuss the task of supervision and education in their respective fields, and staff members of federal agencies will define administrative practices and regulations. The association, now in its fifth year, has a membership of over six hundred local and state housing officials.

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More Education in Planning.—The New England Town Planning Association announces a new course in "School Projects in Practical Civics" for high schools, designed to acquaint young students with the principles of town planning. The course will include work with relief maps, streets and highways, zoning, park systems, industry, parking, airports, etc. Similar study has been carried on for many years in the city of Dallas, Texas.

The traveling exhibit of the United States Junior Chamber of Commerce, to promote the visualization of city planning for the general public, was displayed in New York City for the first time in October. The exhibit features models of metropolitan centers in their present state, and some "cities of the future." Following the New York opening, the exhibit will be shown in Buffalo, Flint, Chicago, Portland, Los Angeles, Philadelphia, and other cities. The exhibit will be returned to New York, according to present plans, for display at the world's fair of 1939.

Buffalo's municipal university has recently announced a "planning research station" (see separate item).

*

Professional Certificates for Public Personnel Administration.—In accordance with a resolution adopted at its recent annual conference, the Civil Service Assembly of the United States and Canada is to establish professional standards in public personnel administration. This is one of the first attempts of a group of public officials to impose and administer professional standards in its own field, and it may be compared to the professional standardization of physicians, engineers, architects, and other groups in private endeavor. Granting of the certification of professional competence will be in the hands of a three-member committee on professional standards set up by the assembly. This committee will establish the qualification standards for three classes of professional competence in public personnel administration—junior, associate, and fellow.

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United States Conference of Mayors to Meet in Washington.—Mayors, city managers, councilmen, and other representatives of the 150 largest cities of the country are expected to convene in Washington, D. C., November 15th to 17th, at the annual meeting of the United States Conference of Mayors. Important sessions will be held on: (1) industrial disputes and the cities, (2) the relief program for 1938, (3) the municipal airport problem, and (4) the new federal housing measure.

Formal proposals by the cities may be looked for with regard to needed federal legislation at the next session of Congress covering relief needs, the airport problem, and ways of carrying out the purpose and intent of the Wagner-Steagall housing act.

Mayor F. H. LaGuardia, president of the United States Conference of Mayors, will preside at the opening session on November 15th.

*

Tyneside Merger Recommendations.—An English suggestion for the logical reorganization of an illogical local arrangement is contained in the *Report of the Royal Commission on Local Government in the Tyneside Area* (March 1937, Cmd. 5402). This report is of particular importance since it deals with local government in one of the economically distressed areas of England, now included among the "special areas" in which some effort at rehabilitation is being evidenced. An earlier report, *Report of the Royal Commission on Merthyr Tydfil* (November 1935, Cmd. 5039), dealt with a similar problem in the distressed area of South Wales. In this instance the report contained the recommendation that the county borough of Merthyr Tydfil should revert to the status of a municipal borough in the county of Glamorgan. To date no action has been taken on this recommendation.

The report on the Tyneside area recommends the division of local government services into two categories: services which are preponderantly of a national character and suited to administration over larger regional areas, and those which are local in character, conferring upon the local taxpayer benefits more or less equivalent to his rate burden.

In view of the persistent growth of *ad hoc* areas in the United States (as is evidenced, for example, in the recent expansion of power districts and other areas serving groups organized for coöperative electric power distribution), it is worth noting that the commission rejects the idea of *ad hoc* authorities with different areas for different services. This is a point of view not shared by some eminent writers on English public administration. The commission proposes the creation of a Tyneside region to administer the following services: public health, education, public assistance, police, fire brigade, and highways. This regional area would comprise twelve local government areas now existing, plus parts of three others. Moreover, it is recommended that eleven of these existing local authorities, in addition to parts of three others, be consolidated into one municipal borough,[1] which together with the remaining local authority, the administrative county of Northumberland, would administer the strictly local services. The consolidation of the administration of the River Tyne, under the Tyne improvement commission, is recommended, subject to a few minor exceptions. It is also noted that a prima facie case has been made for the creation of a passenger transport board with wide powers.

The attention of the commission seems to have been devoted rather to the spreading of adequate services than to the question of financial betterment possible through a consolidation. Some attention was devoted to the spread in local rates between various existing units in the proposed unit. It is regrettable that the report does not deal in greater detail with the financial aspects of consolidation and the instances of inadequate administration because of the present arrangement of local boundaries.

American students will not be surprised to learn that no immediate step has resulted from this report; nevertheless it is to be welcomed as a recognition of the problem and as a presentation of a definite program of action.

Lee S. Greene

Fellow, Social Science Research
Council, 1937-38

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More Interstate Coöperation.—A minimum wage compact between the eastern states of Connecticut, Maine, Massachusetts, New Hampshire, New York, Pennsylvania, and Rhode Island has been signed by representatives of all these states, has been formally ratified by several, and has been given federal sanction by a joint resolution of Congress signed by President Roosevelt. It is designed to establish uniform minimum wage laws for women and children in the signatory states. According to Henry Parkman, Jr., former Massachusetts state senator and one of the originators of the movement for interstate labor compacts, this is the first to be established by law.

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Board of Supervisors of Scott County, Virginia, Retains Control over Schools.— The school board and the board of supervisors of Scott County are again disputing for power over the school budget. Last year the supervisors rejected the entire budget presented by the school board. The latter was then successful in getting a writ of mandamus from the state supreme court of appeals to compel the supervisors to lay a levy for support of the schools. This year the school board, chagrined by the scaling down of the school budget by the supervisors, went a step further and in their petition for mandamus contended that the county board of supervisors have no right to increase or decrease the budget estimates submitted by the school board. The state supreme court of appeals, session September 1937, refused to accept this view, and therefore dismissed the petition which would have given the county school board control over the school levy. "We do not mean," the court said, "that the board of supervisors should be stripped of all power over the school budget and school expenses; we think they have the right, in the exercise of a reasonable discretion, to control the estimates submitted by the school board."

*

Chesterfield County, Virginia, to Vote on Executive Plan.— Encouraged by Henrico's success, Chesterfield, a semi-urban county adjoining the city of Richmond, is seeking reform in the structure of her government. For more than a year a citizen's Better Government League has been working on the matter. Recently the board of supervisors refused to call an election to vote on the proposed new government. Then the league succeeded in getting more than the required signatures to a petition requesting the circuit judge to issue an election call. On November 2, 1937, the people of the county will vote on adoption of the executive form of government, which is similar to the plan now used in Albemarle.

James E. Pate

College of William and Mary

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[1] To be called Newcastle-upon-Tyne, after the existing city. Cf. footnote 1 of article, "Merge Units of Local Government in England and Wales," by John A. Fairlie, National Municipal Review, August 1937, p. 408.—Ed.

Power District Held Invalid in Wisconsin.—Like the optional provision for the commission form of county boards, another promising advancement toward local government reform in Wisconsin has been cut short by the state supreme court. In 1931 the legislature passed the power district law which provided that two or more towns, cities, or villages might combine to buy or create a utility system. Four years later twenty-eight municipalities in Polk and Burnett Counties proposed a power district. Following the required referendum, in which seven communities voted not to join, the state public service commission approved the smaller Polk-Burnett power district, comprising the other twenty-one municipalities. This was the first use of the 1931 law. It augured well for at least some progress toward functional consolidation.

Fearing the establishment of a precedent detrimental to their own interests, privately owned utilities promptly attacked the new intercounty district in the courts, hoping that one of the three distinct plans of attack would result in the invalidation of the project. The utilities charged, among other things, that the district was not valid because the public service commission had not fulfilled its duty. According to the 1931 law there are two distinct steps to be taken by that body. First, within ninety days of the notice of the intention to form a power district the commission is to give an advisory report on the feasibility of the project. Secondly, if the referendum then held results in a reduction in the size of the district, as in this case, the commission is to "file its approval or disapproval" of the smaller district within ten days. Counsel for the utilities argued that the law required the commission to make a finding of feasibility in the second case as well as in the first, although the statute makes no reference to fact-finding except in the first instance.

On June 8, 1937, the majority of the state supreme court found the intercounty power district "has no valid existence." (Clam River Electric Company v. Public Service Commission of Wisconsin, 274 N. W. 140.) The decision employs substantially the same argument as that of the utility counsel. Approaching the case from the point of view of the delegation of legislative power to the commission, the two partially dissenting justices declared the power district law, and consequently the district itself, invalid; but they contended that the majority "read things into" the 1931 law, inserting "feasibility" and offering definitions where the legislature had been silent.

At first glance, it would appear that consolidation of the kind contemplated could easily be provided by the compliance of the public service commission with the court's interpretation of the law. It may not be so simple, however. The majority opinion left the way open for further review of the power district law, merely observing that it "bristles with difficult, complicated legal questions." It is perhaps significant that there has been articulate sentiment in favor of changing the law, whereas there appears to have been no attempt to revive the ill-fated Polk-Burnett district or to establish similar districts elsewhere.

Eldon L. Johnson
University of Wisconsin

TAXATION AND FINANCE

Edited by Wade S. Smith

Cities Turn to New Wilcox Act.—The 1937 revision of the old municipal bankruptcy act is already appearing in the courts for interpretation, as cities left high and dry by the Supreme Court's action last year holding the first act unconstitutional turn to the new statute in an effort to complete long delayed debt readjustments. The decision of a lower court in a recent case in Florida seems to indicate that cities seeking to effect a composition of their debt under the 1937 Wilcox act must begin at the beginning. They cannot pick up their proceedings where they left off when the highest court's decision was handed down.

Chief difference between the new statute and the old is that the new assiduously avoids any semblance of dictation by the federal courts to the states. Action must be entirely voluntary, hence only the affected unit can bring the matter into court, and counties (whose status as state agencies is generally accepted as indisputable) are excluded. The old law required agreement of 75 per cent of all creditors, with a minimum of two-thirds of each class assenting. The new act requires only the assent of two-thirds of the total of those classes to be affected by the new debt composition, but it also requires that the assent of 51 per cent must be secured before the unit seeks court intervention.

Numerous questions as to the procedure of a city which began action under the invalidated law and now seeks to take advantage of the 1937 act have arisen, with the prospect that many will have to be clarified by the courts. Fortunately the remaining situations where debt must be compromised are of less importance from the general municipal credit standpoint, although all, of course, are critical from the viewpoint of the affected unit and its bondholders. In Florida, where prospective actions under the new Wilcox act are probably most numerous, city attorneys of thirty-six cities recently met in Orlando with Representative Mark Wilcox under auspices of the Florida League of Municipalities, and only two of the thirty-six were positive that they would not seek to use the revised statute.

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Debt Equalization for Minneapolis.—Yielding to pressure from property-owning groups desirous of a lower tax rate, Minneapolis' board of estimate and taxation adopted in the first week of October a budget predicated on the extension of maturities on outstanding term bonds. Although the plan appears as a tax reduction expedient, there is considerable justification for the leveling out of the city's debt to secure lighter annual requirements.

Minneapolis debt service requirements reach their peak over the next few years, and were full provision made in the budget for tax-supported debt over a third of the 1938 levy would go for debt service. While Minneapolis' resources are undoubtedly adequate to carry the burden (city tax-supported debt as of July 2, 1937, was $122 per capita, compared with a median of $82 for comparable cities, but the total debt burden—city, plus share of debt of county and other overlapping units—was only $126 compared with a median for the group of $132) there are strong arguments for extending the debt. About 40 per cent of the city's serial bonds (which constitute roughly $56,000,000 out of $63,000,000 bonds) are scheduled to retire over the next five years—a rate nearly twice as rapid as necessary in the light of conservative standards—while the entire term debt matures before 1950. Minneapolis is thus attempting to meet a debt whose ultimate burden is moderate, but at a rate of retirement which undoubtedly is more rapid than necessary.

For the past several years the city has levied inadequate amounts for the sinking fund for term bonds in order to lighten the total levy. The next term bond maturities fall in 1938, however, and it became necessary in fixing the 1938 budget to determine just how they would be treated. If the tax levy were raised to start replenishing the sinking fund, a tax rate of 20 mills for the purpose would be necessary beginning in 1938. This would have raised the 1938 total rate to about 106 mills, compared with 93 mills for 1937. A property owners association comprising the owners of about two hundred apartment houses threatened to organize a tax strike if the levy were substantially above the 1937 level, and the board of estimate and taxation finally decided to refund a portion of forthcoming maturities and hold the sinking fund levy at 11.4 mills for 1938, permitting a total rate of 98 mills. Subsequent lowering of state and county millages created a small leeway permitting the sinking fund levy to be raised to 11.66 mills. The total city-purpose levy is 75.07 mills, the additional millage representing state, county, and miscellaneous purposes.

Minnesota statutes now require that all municipal bonds be issued in serial form, and the Minneapolis board of estimate and taxation has followed the practice of issuing such bonds with the maturity spread over ten years. George M. Link, secretary of the board, has estimated that if all the present term bonds are refunded into ten-year serials, with the first principal payment on each refunding issue deferred three years from the date of issuance, retirement of the refunding bonds (plus the probable new capital financing during the period) will require an annual increase of three mills for the sinking fund levy, with an average rate for the eight years of approximately 21.5 mills. If no refunding bonds were issued, an annual tax of 20 mills would be sufficient, Mr. Link estimates.

The high millage rates at which taxes are levied in Minneapolis is explained in large measure by Minnesota statutes classifying property for taxation at different percentages of full value. Platted real estate is assessed at 40 per cent of full value, unplatted at 33 1-3 per cent; homesteads are given additional exemptions. The large taxable property value of a city like Minneapolis is therefore considerably limited as far as the ad valorem property tax is concerned. As a result, the city has found it expedient to fund virtually all of its heavy welfare costs in recent years, rather than care for such charges through its tax budget. These deferred charges are now beginning to show up in the budget as debt service and make provision for the old term bonds particularly onerous without refunding.

Many cities have sought to rearrange their debt structures with less justification than has Minneapolis, but it is not unlikely that by spreading a portion of its debt over the immediate future in a more equitable manner it will find that bond buyers in the future will be inclined to demand somewhat higher interest rates to offset the fancied blot on the 'scutcheon.

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The Pittsburgh graded tax plan and exemption of new industrial property from taxation was among the subjects discussed at the annual conference of the National Association of Assessing Officers, meeting in New York City, October 20th-22nd. Granting of tax exemption as an inducement for industries to locate in the city is said to be steadily increasing, despite the weight of expert opinion against such subsidies. Pittsburgh's well known graded tax plan, frequently cited as a workable approach to the single-tax principle, provides for the taxation of improvements at half the rate on land. It is said to have had a salutory effect on land usage.

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Pennsylvania's forty-four third-class cities will spend $1,668,000 more in 1937 than they did in 1936, according to the September bulletin of the state department of internal affairs. The figures are the first set of comparable statistics ever possible, and represent the first full year of operations under the state uniform budgets act, which went into effect in 1936.

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Bandon, Oregon, the little city wiped out in a forest fire in the fall of 1936, recently sought federal aid in refinancing its bonded indebtedness as part of its rehabilitation program. Rebuilding of the town according to a modern "garden city" layout has been undertaken by a citizens committee, which will allocate properties in the new town on the basis of holdings in the old.

The Salt River Valley Water Users Association, vast irrigation and hydro-electric development agency chartered as a private corporation for the construction and use of the famous Roosevelt Dam project, recently incorporated as a public corporation to secure lower interest rates. First offering of $3,000,000 bonds to take over private obligations was unsuccessful. Project centers around Phoenix, Arizona, in vast and agriculturally rich Maricopa County.

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When citizens circulate petitions calling for an increase in taxes, that's news. This novel procedure has been invoked at Newport Beach, California, to obtain an increase from three to six cents for the library fund and from three to ten cents for the park fund. An acute shortage of books at the library and a greater planting of trees and shrubs in newly developed areas are advanced as sufficient reasons for the increase, according to taxpayers sponsoring the petitions.

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Because the new Nassau County (New York) charter, which goes into effect January 1, 1938, provides that functions of health and welfare be taken over by the county, Oyster Bay Township, historic Long Island community, will be taxless next year. Elimination of the health and welfare items from the township budget permitted a total budget of $210,550, according to press reports. Surplus of $76,550 will be available from 1937, and miscellaneous revenues are estimated at $134,000, so that no township levy need be spread.

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At its meeting in Boston recently the Municipal Finance Officers' Association approved its general accounting committee's report, "Standard Practice in Municipal Accounting and Financial Procedure." The report has already been published by the committee with recommendation for its adoption. Meeting with the association was the National Committee on Municipal Accounting, which proposes to undertake educational work looking toward a better understanding among business men of advantages of sound municipal accounting practices.

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Concluding an investigation begun over a year ago because of allegations of irregularity in numerous land purchases for city uses, Supreme Court Commissioner Warren Dixon, Jr., early in October handed in a report reputedly accusing three present and two past members of the Newark, New Jersey, city council with "criminal conspiracy," "raiding the city treasury," and "corrupt and illegal expenditure of money." Investigation was started by a committee of twenty-five taxpayers, headed by Charles Becker, long-time agitator for city manager government in Newark. The report of the special court commissioner was to be submitted at once to a special grand jury, the statute of limitations being nearly in force on some of the alleged charges.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

The P. R. Elections.—On November 2nd, about the time this issue goes to press, proportional representation elections will be held in New York City, Cincinnati, Toledo, Hamilton (Ohio), and Boulder (Colorado), and a new P. R.-city manager charter will be adopted or rejected in the city of Yonkers, New York. The outcome of these important elections will be reported in this department next month.

These elections will also be reported and discussed at the annual conference on government of the National Municipal League at the Hotel Seneca, Rochester, New York, on the morning of November 20th. The morning discussions will be followed by a luncheon on P. R. addressed by Judge Samuel Seabury of New York, and John H. Humphreys, secretary of the P. R. Society of Great Britain, who is in this country to observe the election in New York.

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A Philadelphian Visits Cincinnati.—Dr. George Woodward of Philadelphia, a member of the Pennsylvania state senate and of the Philadelphia Charter Commission and sponsor of the Philadelphia optional P. R.-city manager bill in the Pennsylvania legislature of 1935, includes the following account in the October number of *The Pennsylvania Legislator,* which Dr. Woodward publishes "every so often" for free distribution to constituents and others. The account was reproduced in full by the *Philadelphia Evening Bulletin.*

P. R. is not the Pennsylvania Railroad but a beginning of the end of unfairness in our representative government. The trouble is that our representative government doesn't represent fully or fairly the electorate. In the late unpleasantness of November 1936, the Republican party polled 40 per cent of the votes and gained only 20 per cent of the representation. Translated to the stratosphere of Washington, D. C., you will find one-fifth of the House and one-fifth of the Senate or 20 per cent to be Republican. If I belonged to the bright eyed majority I would not worry over this inconsistency. As I belong to the misunderstood, downtrodden minority, I believe that inconsistency is no jewel. P. R. is the cry of the minority.

Of all the wicked cities of our land of the free, Cincinnati, Ohio, is the least wicked. You may remember that Aristides the Just was so very just and went about Athens telling everyone how very just he was, that finally the Athenians grew sick of Aristides and banished him. That is the way I used to feel about Cincinnati when I was in the bad old majority. Adversity has changed all that. When I found myself attending a church convention in the "Queen City" I determined to attend also the administration of the perfect city government. As you know the leading lady and the leading man in this municipal drama are Proportional Representation and the City Manager. Which is the lady and which is the man doesn't matter. I naturally began at the city hall. This monumental building looks dark and brown and forbidding compared with our Philadelphia shining white marble monument of civic virtue. I was directed to room 150. There I found two attractive young women, one on the left, the other on the right. The left hand admitted to the city manager, Colonel Sherrill ($25,000 a year); the right hand admitted to the mayor, Mr. Wilson ($6,000 a year). The name Mayor Wilson sounded so familiar I asked to see him. The mayor had gone to Columbus to make an address and would not be in until Monday. I inspected the mayor's office and found it clean and sunny with rubber plants on the window sills. Indeed the office looked too orderly and too little used. I concluded that the business of governing 475,000 people does not center in the mayor's office. The day before I had heard Mayor Wilson make a delightfully witty address of welcome to our church convention. The day before that I had seen him in the church parade and service in the stadium. That service must have taken his entire morning. It was easy therefore to commend this double headed administration, one the suaviter in modo, the other the fortiter in re. The mayor's secretary, Miss Sisson, didn't look very busy so I put her through a questionnaire. First about the P. R. ballot: she explained that there are nine members of council and at this election [November 2nd] there are forty candidates. The Charter Committee has endorsed nine of the forty. . . . Most people vote for nine names marking 1, 2, 3, 4, etc., in the order of preference. She showed me how she expects to vote. I must not betray her secret except to say her third choice is Charles P. Taft and her first is her boss Mayor Wilson.

Please understand that the suaviter in modo mayor is a councilman and is elected mayor by his eight colleagues. I do not know how he votes. In eleven years there have been only two mayors, Murray Seasongood and Russell Wilson. Each received $5,000 as councilman and $1,000 as mayor. The council also chooses a city manager. There have been two of these, Colonel Sherrill and Mr. Dykstra. Now Colonel Sherrill is back on the job but the council wrangled four months over it.

Instead of interviewing the city manager it seemed to me more intelligent to go into the market place and learn from some of the 475,000 how they felt about it. If there were a catch in it, if there were a low-down I would discover it. The market place looked too extensive for a one day search for truth. I therefore lunched at the busiest business men's lunching joint, the Hotel Netherlands-Plaza, which name doesn't seem to have a thing to do with the Roman farmer who founded Cincinnati. Near me was a table of eight busy business men laying wagers on tomorrow's football game. I gathered courage enough to introduce myself as a seeker after truth and just what did they think of the city manager? They were most courteous, gave up all profanity for the moment, and assured me unanimously that they were for it. There was no catch there. When I had stimulated my nerve by more food I approached another table, looking a bit more select. They were 90 per cent for city manager form of government. One of them was the manager of the gilded hyphenated hotel. He said there was no gambling. If you had to gamble you had to cross the river into Kentucky. The only police scandal happened several years ago. The city manager and civil service commission did not stop or delay the indictment of the police grafters and they are now in jail. The manager referred me to Mr. Ireland in the Carew Tower who represents Mr. Emery who not only owns the hotel but also is head of the Charter Committee. Mr. Ireland answered a lot of questions. He also took me to the office of the Charter Campaign Committee. This committee was busy enlisting volunteers to distribute literature in every household. It is one thing to volunteer in the first flush of enthusiasm but quite another to volunteer in the eleventh year of the reform. I must therefore take off my hat in admiration of this sturdy enduring public spirit of the charter party of Cincinnati.

So far I have found no catch in this P. R.-city manager form of city government. It has succeeded so well and the city's financial standing has grown so steadily better that the Republican party which wouldn't believe a word of it at first is now very much on the defensive and has to admit itself at the wrong end of the stick. Cincinnati has had its reform pudding eleven years. If the proof of the pudding is in the eating, I would say that the people here look hale and hearty and happy and that there is no indigestion excepting among certain old political hacks who gave up learning anything new longer than eleven years ago.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Providence Governmental Research Bureau.—The activities of the Providence Governmental Research Bureau in the past year have covered a variety of subjects.

Published just about twelve months ago was a comprehensive report analyzing the financial situation of Providence. Although Providence weathered the depression with less difficulty than did most cities, it was nevertheless revealed that costs in Providence are high and that reforms need to be adopted if Providence is to avoid the pitfalls consequent to inefficient and loose financial practices. The study indicated particularly the need for: (1) a reduction in assessed valuations to a thoroughly defendable level; (2) financing relief costs from revenue; (3) a reorganization and consolidation of departments and a reduction in number of employees; (4) an adequate budgetary system.

A proposal for the adoption of a three thousand dollar homestead exemption measure in Rhode Island occasioned the compilation of a report showing the probable effect of such a measure. Included with the report was a statement giving as far as possible the experience of other states with similar provisions. The Rhode Island act was defeated in the 1937 session of the legislature.

Statistical statements were published during the year covering both city and state finances. A supplement issued in March made an analysis of state expenditures from 1933 through 1938. In April another supplement was issued comparing revenues and expenditures of the city of Providence since 1925.

At the present time an official state commission is studying the Rhode Island tax structure and will report its recommendations to the 1938 session of the legislature. The bureau has followed all of the deliberations of the commission and has coöperated in the compilation of factual data. A study just completed by the bureau compares revenues and expenditures of the six New England states, New Jersey, and Delaware.

Articles in the monthly bulletin have stressed the need for financial control and a more adequate budgetary procedure. During the last year the problem arising out of continual overdrafts and tax anticipation borrowing has become acute. Other bulletin articles have been written on garbage and refuse disposal, sewer rental charges, the Providence relief situation, personnel, purchasing, and other pertinent subjects.

Continued effort has been made to keep abreast of developments in city government and to advise with the public officials in devising methods and programs for meeting current problems.

At the present time work is being done on resurveying the various departments and agencies of Providence city government in order to bring earlier studies up to date.

An analysis of the school teachers' salary schedule is also in process.

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Bureau of Governmental Research of the University of California at Los Angeles.—By action of the Board of Regents, a Bureau of Governmental Research has recently been established at the University of California at Los Angeles for the purpose of making studies in the field of public administration. Special attention will be given to the governmental problems of the various southern California communities. A specialized library of governmental documents and reports will provide the basic materials for the research program.

In addition to the prosecution of original studies, the bureau will assist in making available to graduate and senior students the best sources of current information concerning governmental affairs. All facilities of the bureau will likewise be available for use by local public officials.

Professor Frank M. Stewart, chairman of the department of political science, will direct the activities of the newly created unit, assisted by a staff composed of Dr. George W. Bemis, research associate, and Miss Evelyn Huston, librarian. Graduate students of public administration will be employed to a limited extent in the work of the bureau, and National Youth Administration assistants will aid in the details of preparing various studies.

Publication, in mimeographed form, of several studies relating to the Los Angeles metropolitan region is contemplated in the near future. Among these are included monographs on public welfare administration, police administration, and the extent and cost of governmental services within certain unincorporated communities.

Headquarters of the Bureau of Governmental Research are located at 44 Library Building, University of California at Los Angeles, 405 Hilgard Avenue.

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California Taxpayers' Association.—Among the research studies of government in California and its costs which California Taxpayers' Association has made since January 1, 1937, are the following:

During the current budget season, the association analyzed the budgets of some thirty-two counties of the state, making recommendations and indicating findings with regard to the efficiency of county government. In order to carry on this work, the association opened four regional offices at San Jose, Fresno, Marysville, and Sacramento. The studies of these county budgets were made available to interested taxpayers throughout the state in time for the public hearings on county budgets.

In coöperation with the board of supervisors of Orange County, California, a study of salaries in the county, including classification and standardization, was made. This study was recently adopted by the county.

An efficiency survey of San Mateo County government is in process of completion. This study is being made for the board of supervisors and the county manager.

A study has been completed of the number of state boards, bureaus, divisions, institutions, etc., in the state government of California. There are 290 of these divisions.

A study of the expenditures of local governments in California showed that the local governments spend approximately $1,000,000 a day. Of the $370,183,809 spent in 1934-35 by local governments, 34.46 per cent went for local education, 14.92 per cent for bond interest and redemption, 13.80 per cent for charities and corrections, 12.33 per cent for protection to persons and property, 9.52 per cent for highways, 7.75 per cent for general government, 2.94 per cent for health and sanitation, 2.24 per cent for recreation, and 2.04 per cent for miscellaneous. The per capita average expenditure of the local governments for the entire state was $58.13.

A study of the expenditures for California schools showed that the 1936 expenditure of $156,798,359 for the schools has been exceeded only twice in previous years. The total for 1930 was about $160,000,000 and the all-time high was $164,000,000 for 1931. Average school district expenditures per pupil in average daily attendance in the elementary schools were $126.07 in 1930-31, went to a low of $98.02 in 1933-34, and were $123.27 in 1935-36; high school expenditures were an average of $249.28 per pupil in 1930-31, $162.44 in 1933-34, and $198.85 in 1935-36, the study showed.

A study of the trend of local tax levies on property during the years 1933 to 1937 showed the effect of the change in the tax system of California. This study of thirty-two counties, covering 80 per cent of the entire valuation of the state, during the five-year period, shows sharp increases in taxes during the last two years. The shift of a large part of school support from local to state taxation in 1933-34 afforded material relief to real property for the time being, the study reveals, although there is a definite tendency for school district tax demands to expand, thereby absorbing the relief. In addition, the return of operative property to local tax rolls, together with the state-wide equalization of values, appears to have encouraged larger tax levies instead of spreading the levies thinner, as had been hoped.

A history of constitutional debt limitation in California, from the first state constitution ratified in 1849 through the constitution of 1879 and subsequent amendments, has been completed.

An analysis of the debt burden in Imperial County, California, including that of the county, the Imperial irrigation district, six municipalities, five high school districts, twenty-one elementary school districts, and one sanitary district, showed a total indebtedness of $47,141,675 outstanding at July 1, 1936, or an average debt burden per capita in the county of $619.82.

Costs of the 180 largest elementary school districts and the 160 largest high school districts in California were studied, facts being presented as to the class of school, average daily attendance, and expenditures per pupil in average daily attendance for teachers' salaries, general expense, transportation, capital outlay, interest, total excluding bond redemption, and bond redemption, for each of these school districts.

Total monthly welfare expenditures and total welfare cases in California, for the month of March 1937, for each of the fifty-eight California counties, including joint state and county aid for aged, blind, and orphans, county aid for outside relief and in institutions, and unemployment relief under the SERA and WPA, were compiled and made available to the public.

A survey of what a county budget should contain, what the public can expect of a county budget, and how county officials can organize that document so that the public will understand what it is all about was presented.

An analysis was made of California's $531,000,000 state budget and the state's fiscal program, including a statement of state expenditures and state revenues for the biennium 1937-39.

California's tax system as at September 1, 1937, and its operation, were described briefly.

Per capita expenditures, based on estimates of population made by California Taxpayers' Association, for county functions in the fifty-eight counties of the state, for general government, protection to persons and property, health and sanitation, highways and bridges, recreation, charities, miscellaneous, education, debt payments, and the total of these, were calculated and the information made available to the people of the state through the newspapers.

Total and per capita bonded debt in the counties for county, school districts, special districts, and municipalities, were calculated.

Bonded debt of the 280 cities of the state, including total amount and amount per capita, were calculated.

A study of the uses for population estimates was made.

A study of local tax levies on property in California counties has been started.

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Toronto Bureau of Municipal Research.—During 1937 the activities of the bureau have been largely confined to study of current problems such as police administration, the tax burden on real property, the reduction of current expenditures through the annual budget of current expenditures, the financing of direct relief, housing, zoning and town planning, the relation of provincial to municipal finance, etc. Two "briefs," two "open letters," and five "white papers" have been issued since the beginning of the year.

The bureau also coöperated with the Board of Trade in the preparation of editorial and bulletin material for its journal.

Horace L. Brittain,
Managing Director

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Citizens' Research Institute of Canada.—During 1937 the institute has carried on its study of taxation, public revenues, debt, etc., in the nine provinces of the dominion and their municipalities in the series, "A Nation-wide Plan of Taxation for Canada." Reports on Saskatchewan, New Brunswick, and Nova Scotia were completed and published. With British Columbia, Alberta, and Manitoba completed in 1936, there remains for study and report only Ontario, Quebec, and Prince Edward Island.

The institute has coöperated since October 1936 with groups of citizens in Montreal and Toronto, who have supplied the funds, in a special study of taxation in Canada in preparation for representation to the recently appointed dominion royal commission on federal-provincial relations. The study is being conducted in the institute office by a director of survey appointed for the purpose.

The assistant director, J. E. Howes, who in recent years has specialized in assessment methods, has completed his work as a member of the commission appointed by the York County council to equalize county assessments. At the request of the city council he has also supervised a reassessment of real property in the city of Oshawa. A series of general articles on assessment of real property for taxation purposes embodying the results of the institute's experience in this field will shortly be published, first in bulletin and then in pamphlet form.

The institute has just issued to the subscribers to its financial statistics—*Canadian Municipalities*—a supplement on municipal tax collections during the first eight months of 1937 compared with the similar period in 1936.

Horace L. Brittain, *Director*

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Bureau of Public Administration at the University of Virginia.—The bureau, which was established as a collaborative agency for governmental research by the League of Virginia Municipalities and the university's Institute for Research in the Social Sciences in 1931, was reorganized in 1936 as an independent and coördinate agency, under the control of the president of the university and a council consisting of the governor of Virginia, the secretary of the League of Virginia Municipalities, the consultant-director of the state planning board, the chairman of the county government commission, the director of the division of statutory research and drafting, and the chairman of the legislative advisory council. At the same time, the basic objectives of the bureau were subjected to exhaustive analysis and redefinition.

At the present time the bureau serves the people of the commonwealth in a three-fold capacity: (1) through its council it provides the machinery for the coöperative integration of the research work of the major official and semi-official planning and advisory agencies of the state; (2) it seeks to promote and facilitate coöperation between academic researchers and administrators and planners in the investigation of important public problems in Virginia; (3) it is charged with the execution of a research program formulated in consultation with the council and in contemplation of the activities and programs of agencies represented in the council as well as the researches in progress in the universities and colleges and elsewhere in the state.

Miscellaneous functions of the bureau involve the instruction of undergraduate and graduate students in public administration at the University of Virginia, administration of the public administration library of the university, serving as secretariat for the university committee on public service training, etc.

During the past year the bureau has published *Municipal Ownership of Electric Undertakings in Virginia,* by Egger and Gates, and *Training for Public Service in Virginia,* by Egger, Baumes, and Uhl. In process of publication are: *Who's Who in Public Administration Research in Virginia,* by Egger; *The Areal Problem in Virginia Rural Administration,* by Uhl, Shea, and Egger; and *The Problem of Governmental Integration in Virginia Metropolitan Areas,* by Egger, Uhl, and Shea. Volume I of the bureau's fortnightly *White Paper,* which is published from October through May, was also concluded during the past year and the first issue of Volume II has just appeared. This bulletin is designed to provide information concerning research in progress throughout the state, to indicate the directions and objectives of such research, and to keep the body of researchers in public administration and closely allied fields, numbering about 225, *au courant* with developments throughout the commonwealth. By the systematic presentation of such information, the bureau hopes to prepare the ground for an ultimately integrated program which will permit the more effective contribution of all agencies of investigation and research to the scientific study of public administration in Virginia.

The bureau has also assisted in the development of the University of Virginia's pre-entry training program which went into operation with the beginning of the current academic year. This program represents an integration, by major public service functions, of relevant instructional facilities in the several faculties and professional schools of the university, coördinated in the form of three-year curricula leading to an M.A. or M.S. in public administration. The committee on public service training is at present engaged in refining certain of the established curricula and in working out an effective program of apprenticeship and governmental contact for the students registered in the several curricula. Present registration in the curricula, which were not completed until late spring, numbers about twelve.

During the summer the director of the bureau was absent for ten weeks in Europe as Spelman fund fellow in public administration, and had the opportunity to assist in the establishment of the Brussels Public Administration Center as well as to attend the conferences of the International Union of Local Authorities, International Institute of Administrative Sciences, International Federation for Housing and Town Planning, and the International Housing Association in Paris during July.

Rowland Egger, *Director*

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Department of Investigation of the City of Minneapolis.—A significant survey and report was made by the department of investigation this year, at the request of the city council, on a proposal of fire and police department employees that salaries be increased by a flat twenty dollars per month in all grades and classifications.

The study on this subject included: (1) analysis of cost of living with relation to salary changes of firemen and policemen from 1913 to 1937; (2) comparisons of salaries and financial burdens with other cities; (3) analysis of the condition in and prospects for the funds out of which such salary demands would have to be met; and (4) brief summary of working conditions and service needs of fire and police departments of Minneapolis which might take priority over salary increases, if funds were available.

The total added burden proposed in the salary request would have amounted to more than $240,000 per year. As a result of the study and report submitted to the city council, action was deferred until such time as the financial condition of the city permitted and adequate sources of revenue materialized sufficiently to assure continuation of any salary plan which might be adopted.

Nathan Harris, *Utilities Engineer*

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Taxpayers Association of New Mexico.—During the last six months the work of the Taxpayers Association of New Mexico has been devoted largely to assisting in the preparation of county, city, town, village, and school district budgets. These budgets are prepared under the supervision of the state tax commission and the state educational budget auditor. Representatives of the association have visited the various tax and spending units in the state to attend the hearings and to represent the taxpayers. This has been the principal work of the Taxpayers Association for twenty years. After budgets have been prepared in the various counties, cities, and communities, they are brought to Santa Fe and are subject to review by the state tax commission. Representatives of the Taxpayers Association are permitted to attend the hearings before the tax commission and to assist in the determination of property tax levies necessary to be levied, the proceeds of which, with other available revenue, are used to meet the budgets of the various units for the present fiscal year, which began July 1, 1937.

The Taxpayers Association has also been active in a survey of fire insurance on public buildings, and of the administration of the justice of the peace courts in the various precincts of the state.

Rupert F. Asplund, *Director*

COUNTING TWO MILLION P. R. VOTES

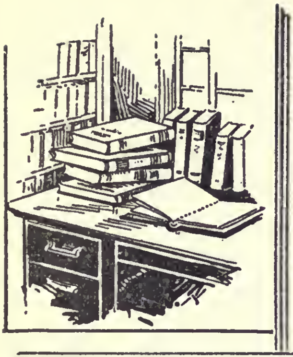
(Continued from page 512)

vember 2, 1937," "City of New York," "New York County," "Twentieth Election District," and "Second Assembly District." He will probably never know that not even "General Election" has a chance of winning.

No matter how long it takes, the results in New York City should be well worth the wait. For the first time in history, the customary overwhelming Tammany majority in the municipal assembly, gained by hook or crook, may turn out to be a pallid minority. Political commentators and printing press prophets have been chanting the funeral dirge over Tammany Hall ever since the triumph of the good government forces in the re-election of Fiorello LaGuardia as mayor of the country's largest city. But even the selection of the "little flower" may run second in history's verdict of important events to the change brought about by the selection of the members of New York's new city council by proportional representation.

For Tammany's power over New York has lain in its control of minority groups under its own peculiar form of representation—or misrepresentation, if you will. When these groups through P. R. may find their own way to representation, the benevolent services of "the Hall" will lose their appeal.

The nation should watch this New York innovation with keen interest. It is, indeed, attracting the attention of students of government throughout the world. Among others, John H. Humphreys, outstanding British authority on P. R., made a special trip from England to observe the fascinating alchemy of this new process at work. Nowhere in the world is there such a heterogeneous population as in New York. If "P. R." lives up to the expectations of its proponents, the outcome will hold a lesson for cities and states everywhere.



RECENT BOOKS REVIEWED

EDITED BY ELSIE S. PARKER

Committees in Organisation. By L. Urwick. (Reprinted from the *British Management Review.*) London, Management Journals, Ltd. 1937. 48 pp.

In 1925 an American expert in the management of committees, Edward E. Hunt, published the rules of the committee "game" in his "Conferences, Committees, Conventions and How to Run Them." This eminently wise and practical volume is now supplemented by an equally wise and somewhat less pragmatic analysis of committees by an English expert in committee work, the one-time director of the International Institute of Scientific Management at Geneva.

Urwick's experience and reflection make him no friend of the committee form of organization. Committee failures, he finds, are due principally to the failure to recognize that "the only reason for appointing a conjoint body for any purpose, rather than an individual, is that it should think and act conjointly." Despite the fact that they lead to irresponsibility, excessive cost, and bad employment practices, "there appears to be an irresistible logic" leading to their "inevitable prolification." Hunt reckoned at least ten thousand important conferences in the United States of America yearly—before the New Deal! How many unimportant committees meet staggers the imagination.

Among the eight "elementary" activities of any organization, as isolated by Urwick—initiation, investigation, direction, organization, provision (of personnel and material), execution, control, and communication—the author gives 50 per cent efficiency to the committee only in the function of control; in the "specific" activities of coördination the committee ranks equally well; only in "jurisdiction" (determination) does he grant it the possibility of complete success.

The analysis of different types of situations in which action is required forms by no means the least valuable although an incidental part of this brochure. It deserves to be read by students of administration as well as by members of committees—a substantial audience.

Leonard D. White

University of Chicago

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Machine Politics: Chicago Model. By Harold F. Gosnell. Chicago, University of Chicago Press, 1937. xx, 229 pp. $2.50.

The author, who will be remembered by many for his several other excellent contributions to literature on the practical political field, draws a rather disheartening picture of the situation in the second largest city of the United States. With fine discernment, he analyzes the revolutionary changes which have taken place in Chicago politics during the depression; but he is forced to conclude that the changes simply brought another group of spoilsmen into control.

The fundamental character of the party system, Dr. Gosnell finds, has remained the same, the only apparent difference being that the Democrats now in power concentrate more on the manipulation of patronage from the national government than on the spoils formerly obtained purely locally.

The book is aptly described in a foreword by William Fielding Ogburn as "something new in the study of politics." It is new because it brings to political science the whole battery of scientific techniques of modern social science.

He adds, "That he knows his data, as well as his method, is evident from his apparent wide acquaintance with Chicago political leaders, big and little, with ward boundaries, locales of operation, and services of precinct captains and ward bosses. . . . Perhaps Dr. Gosnell's work is a signal for a general forward movement which is surely inevitable some time in the distinguished field of political science."

The authoritative completeness of the volume is enhanced by the maps showing changing ward lines, results of elections in certain areas, nationality and racial groups, etc., and charts, diagrams, and tables analyzing and comparing relationships, social forces, and other elements.

While the book is packed with human interest, making it attractive and worthwhile for the layman, it cannot help but be challenging to the scientist. An appendix provides exhaustive analyses of voting behavior and the influence of the press, forms used in research work, factorial analysis, formulas and equations, and a detailed bibliography.

Despite the obvious failure of the depression to eliminate the spoils tradition in the city hall, Dr. Gosnell has discovered many favorable elements in what took place there from 1930 to 1937, and he is far from granting that political corruption is inevitable in Chicago or in any other large city. To those voters in Chicago, or any other politically corrupt cities who are interested, he points the way.

Alfred Willoughby

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The National Debt and Government Credit. By Paul W. Stewart and Rufus S. Tucker. New York, Twentieth Century Fund, Inc., 1937. xvii, 171 pp. $1.75.

In this small volume, the Twentieth Century Fund has provided an admirable summary of the changes which have occurred in the public debt in recent years, particularly from 1930 to the present. The authors concentrate their attention upon the effects of these changes upon government credit. In order to accomplish this purpose, it was necessary to attempt a definition of government credit and to investigate the connections between government financial policies and credit. Some historical and comparative analysis of the debt is also included.

The main conclusion of the authors is that the credit of the federal government is sound in spite of the great size of its debt. "Furthermore, the ability of the federal government to market its obligations at low interest rates and to refund old issues reveals no certain signs of any immediate government debt-credit crisis in the United States. However, the authors hasten to warn the reader that the debt is potentially inflationary, that long continued unbalanced budgets will result in undue credit expansion, and that the large volume of the debt involves a burdensome debt service which reduces the amount of tax receipts available for other expenditures. The authors do not deal with the manner in which the budget should be balanced and avoid taking a position in favor of either reduced expenditures or higher taxation.

An interesting attempt is made to forecast the future size of the federal debt. Three alternative assumptions are used: (1) that business conditions and national income in the 1940's will repeat the depressed conditions of the 1930's, (2) that they will equal those of the 1920's, and (3) that they will reach a still higher level of activity and income than in the 1920's. Professor Shoup's median estimates of expenditures and tax receipts in 1940 are used as the basis of these prognostications. As a result it is estimated that the federal debt would be approximately fifty billions in the 1940's under the most pessimistic assumption and about thirty-one billions under the most optimistic assumption. The study ends with a program of action which emphasizes the need for debt retirement in order to restore the reservoir of public credit.

Although this study is valuable as a statistical review, it leaves much to be desired as a theoretical analysis of government credit. It seems unduly narrow in scope, since it defines credit, in the traditional manner, as confidence in the ability and willingness of the borrower to pay interest and principal when due. This decidedly psychological approach makes it almost impossible to devise any method of measurement of the subject studied. Credit rests upon reputation; reputation is a statistically unmanageable concept. The statistical data which enrich this study, therefore, seem to the reviewer peculiarly unrelated to the central subjects of the investigation.

William Withers
Queens College, New York City

The Thorny Question of Personnel. By Princeton Local Government Survey. Princeton, New Jersey, 1937. 47 pp.

This is the second of the "Pocket Report Series" published by the Princeton Local Government Survey, of which Harold W. Dodds, president of Princeton University, is chairman, and Harley L. Lutz, William S. Carpenter, and John F. Sly (secretary) are members. The members of the survey are to be commended for the simplicity and conciseness with which they have set forth "the PICTURE, the PROCESS, and the PROBLEM" of local government personnel in New Jersey. By an ingenious use of type—bold faced and otherwise—well spaced and margined, the booklet presents an attractive piece of literature which will be readily perused by the average New Jersey citizen as well as the professor of political science and the local government official.

*

The Reorganization and Consolidation of State Administration in Louisiana. By Bureau of Government Research of Louisiana State University. Baton-Rouge, Louisiana State University, 1937. 279 pp.

The reorganization and consolidation of state administration is the first survey project of the newly established Bureau of Government Research. The book opens with a review of state administration throughout the country, dwelling especially on those states whose government has been reorganized and consolidated. it then takes up state administration in Louisiana, listing and describing the powers and duties of the 174 offices, boards, and commissions which constitute the executive and administrative system of the state.

Reorganization and consolidation of like agencies are strongly recommended. All legislation affecting the administrative system should be repealed and a single administrative code enacted in place of the multitude of statutes heretofore forming its basis. Other recommendations include the appointment by the governor, with the advice of the senate, of directors of departments, bureau chiefs, and the members of boards and commissions whose terms coincide with his own. All other state employees should be under a state civil service system, appointed in accordance with merit, with permanent tenure of office, adequate compensation, and a reasonable retirement and pension fund.

Two possible plans are outlined in some detail—the first statutory only, the second both constitutional and statutory.

*

Studies in Massachusetts Town Finance. By Eugene E. Oakes. Cambridge, Massachusetts, Harvard University Press, 1937. 237 pp. $2.50.

This volume contains a series of case studies dealing with certain episodes in the financial history of a group of small Massachusetts towns. Although a system of counties has been superimposed, the towns have retained most of the important local government functions. They are responsible for schools, parks, and libraries and for the relief of the poor and have power to inaugurate various services in the interests of public health. They may furnish local roads, fire and police protection, and have authority to carry out drainage projects, construct sewers, etc.—all of which makes them important as units of government. The towns considered were chosen not because of any historical interest they might possess but because they seemed to throw light upon certain important principles of public finance. They include Hopedale, Wellesley, Maynard, Millville, Adams, Belmont, Hopkinton, Florida, and Somerset.

The studies bring to light two matters that are often overlooked: the unfavorable financial effect that a large number of people who pay only the nominal tax on polls may exert upon the town meetings which they attend and the effect which the presence of despotic elements existing within the framework of the nominal democracy of the New England town meeting has upon the financial policies of the town.

*

Municipal Index and Atlas. Edited by American City Magazine Corporation. New York, 1937. 631 pp. $5.00.

In issuing this 1937 edition of the *Municipal Index and Atlas,* the *American City Magazine* has again performed a most valuable service to local government officials and others interested in the improvement of city and county government. The *Index* contains maps of all the states together with lists of their cities, a directory of municipal officials, valuable information on streets and highways, water supply, sewage and garbage disposal, light and power, etc. For the first time it carries a compilation of municipal electric utility data, including earnings. A "30-Section Bookshelf for the City Hall," including titles on planning, city management, civil service, counties, finance and taxation, housing, purchasing, etc., is also included.

*

Public Welfare Board and Committee Relationships. By R. Clyde White. Chicago, Illinois, American Public Welfare Association, 1937. 23 pp. Thirty-five cents.

Citizen participation in public welfare administration is achieved through boards and committees but there is no fixed pattern by which such groups can carry on their activities with the official staff. Each such board or committee must experiment and explore and discover the practical ways of developing and carrying on its duties for itself. The author believes that citizen boards and committees have positive functions to perform which are vital to efficient service and sound public policy. He helps to meet their problems by setting forth the methods by which citizen participation in public welfare service can be made most effective. The study covers types of welfare boards and committees, organization, and the relations of the board or committee with the public welfare director and the public.

*

Government in Kentucky Cities. By John W. Manning. Lexington, Kentucky, Bureau of Government Research of University of Kentucky (Local Government Study No. 3), 1937. 24 pp. mimeo.

The purpose of this study is to give a brief description and analysis of the framework of government as set up in the various classes of Kentucky cities. It comprises a discussion of the urban and rural population of Kentucky, forms of city government in use, findings based on an examination of the constitution and statutes of the state, and recommendation of a greater degree of home rule and the lifting of statutory restrictions. The study includes a number of excellent charts setting forth the several types of government used in the cities of the different classes.

Minnesota Year Book, 1937. By League of Minnesota Municipalities. Minneapolis, 1937. 385 pp. $5.00.

For the eighth year the League of Minnesota Municipalities, in coöperation with the Municipal Reference Bureau of the University of Minnesota, has performed the very useful service of publishing factual data regarding state and local government in Minnesota. The task of the research worker in local government would be immeasurably lightened were such a volume to be compiled for every state.

Statistics on assessed valuations, taxes, tax rates, and indebtedness are presented, as formerly, in tabular form. Other material includes a utility rate section, directory of officials, and miscellaneous statistical information on some phases of state government, county and school district finances, and on municipal service relating to overhead organization, libraries, water works, fire losses, etc. In many cases the statistics are presented in comparative form for several years back. A brief analysis of 1937 legislation is also included.

*

The Official Publications of American Counties. By James Goodwin Hodgson. Fort Collins, Colorado, 1937. 594 pp. mimeo. $5.00. (Apply to author.)

The author has attempted here, with splendid results, to assemble in one volume the official publications of county governments throughout the country. The book contains more than five thousand entries, listed by states subdivided into counties.

As stated in the preface, it has not been possible, of course, to obtain the titles of all publications on county government. Since the titles were gathered from lists furnished by libraries throughout the country, it is obvious that some material may have been missed. Furthermore, as the author points out, the volume is limited to official publications of the counties themselves. Material on county government has been issued by state officials and commissions and under private auspices which has never been gathered together. This is a far more complete bibliography on county publications, however, than has thus far been issued, and should prove most valuable to students of county government.

NATIONAL MUNICIPAL REVIEW

DECEMBER ✦ 1937

Two of the Horsemen
• • • EDITORIAL

Public Ownership and Control of Urban and Suburban Land
• • • WAYNE D. HEYDECKER

Proportional Representation and the Constitutional Convention
• • • SAMUEL SEABURY

Effects of North Carolina's Centralization
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New Jersey's Experience with Cash Basis Budgets
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The School Budget as Effective Publicity
• • • HAROLD E. AKERLY

Comparative Tax Rates of 279 Cities, 1937
• • • ROSINA MOHAUPT

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National Municipal League

THE LEAGUE'S BUSINESS

The League's Annual Meeting.—Over five hundred leaders in the field of government, interested laymen, and students attended the League's Forty-third Annual Conference on Government at Rochester last month. Group sessions on county government, finance, housing, education, metropolitan areas, tax limitation, personnel, law enforcement, etc., had capacity audiences.

The sessions on relief, addressed by William Hodson, Commissioner of Public Welfare in New York City; Dorothy C. Kahn, director of the Philadelphia County Relief Board; Dr. Evelyn Burns of Columbia University, and other experts in the relief field, also attracted large numbers of interested persons. The REVIEW plans to carry the addresses and reports given at these sessions in its January issue.

Dr. Dodds, the League's outgoing president, and Dr. Dykstra, its newly elected head, shared honors at the League's banquet, presided over by Marion B. Folsom, president of the Rochester Chamber of Commerce. Dr. Dodds made a plea for a return to old-fashioned democracy. He emphasized the fact that there is danger that modern methods of living may stifle adequate social living. "Is there not," he asked, "a whole series of such human needs which modern life, with its allegiance to bigness and its mammoth scale organization is failing to provide for?" Discussing the responsibility of the community, acting in a voluntary capacity, President Dodds declared that: "Unless we are prepared to accept as desirable the corporative state, which I trust we never shall, where each individual is assigned a particular function and station in life, we must restore to society opportunities for voluntary association where the instinct to want to be a neighbor and to have neighbors will be gratified."

Dr. Dykstra took as his title "Implementing Democracy." In the course of his address he said: "In the last analysis our success or failure in this government enterprise depends upon the capacity and intelligence of the men and women who make up our public personnel. Popular distempers all over the world have thrown the moral imperative of democracy overboard and made their appeal to physical force and passion. Whether such movements win recruits in growing numbers depends upon our ability to meet the problem of keeping democratic institutions alive and vigorous. To do this, responsible instruments of effective democratic action will have to be developed if Americans are to continue to believe in representative governments."

The sessions on proportional representation also proved to be of much interest because of its recent use in New York City for the election of council under the city's new charter. Judge Seabury's address on the subject will be found elsewhere in this issue.

At the annual business meeting of the League the slate of officers presented by the nominating committee as reported in last month's issue of the REVIEW, with the additional nomination of Harold W. Dodds as a member of the council, was duly elected.

The Rochester local committee on arrangements, led by Mr. Folsom as chairman and Harold W. Sanford of the *Rochester Democrat and Chronicle* as vice-chairman, is to be congratulated on the efficiency with which the local arrangements were handled. Following are some of the comments on the sessions which have already been received:

I congratulate you most warmly upon the Rochester conference of the National Municipal League. What a number of live persons you have in different centres in the United States giving themselves to the problems of government! Their work will be of the utmost value to democracy and to mankind. JOHN H. HUMPHREYS, Secretary, British Proportional Representation Society.

The convention in my judgment was again a great success. I personally derived a great deal of benefit from it, my only regret being that I could not spend more time there. HOMER BROWNING, Manager, Governmental and Municipal Securities Department, Buffalo Marine Trust Company.

I feel that you and your associates deserve a great deal of credit for the way in which you handled the entire affair. It was a credit to good organization behind the scenes. ALLEN H. SEED, JR., Executive Secretary, Toledo City Manager League.

I was greatly interested in the meetings I attended. I had no idea of the extent of your activity, and I came away with a much broadened viewpoint. W. HOWARD WRIGHT, Schenectady Varnish Company.

HOWARD P. JONES, *Secretary*

Editorial Comment
◆
December, 1937

NATIONAL MUNICIPAL REVIEW

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Two Of the Horsemen

More than one-third of the money spent by all the cities in New York State for operating expenditures in 1936 was used to pay public welfare costs, including, of course, emergency relief expenditures. In the same year nearly half of the total expenditures of the cities and villages in New York State went to meet the cost of debt service.

These figures are revealed by reports of the New York State Bureau of Information, a branch of the New York State Conference of Mayors and other Municipal Officials. It should be realized, of course, that we cannot add the two percentages together since welfare comprises approximately 16 per cent of the *total* cost of government although 34 per cent of the current operations. Even so, roughly two-thirds of the cost of city government is embodied in two single items—debt service and relief.

A problem understood is a problem half solved; though it must be realized, too, that there is no royal road to solution. No simple panacea such as tax limitation, which, donned like a new cloak, is guaranteed to transform the wearer, will do. For debts have to be paid and jobless human beings must be helped.

So long as governmental expenditures are subject to control, there is little need for concern. The point is, that these two items have gotten out of hand. We cannot control debt after debt has been incurred. It must be paid whether we like it or not. Relief is somewhat similar. Both costs, moreover, are alike in that their control depends upon solution of a problem long before the lack of solution has translated itself into huge current budget items.

There is no disposition on the part of the Review to enter at this point into the merits of the controversy that has been waged so long between those two schools of thought—pay-as-you-go and borrowing. It undoubtedly is true that the municipality can borrow money at a lower rate than the individual. Consequently, from the long range economic viewpoint, borrowing by the municipality, assuming always that it replaces borrowing by the individual, becomes a less costly method of financing. But there is a difference in the operation of the two policies at the point of contact with the taxpayer that should be emphasized.

Generally speaking, the citizen can, if he will make the effort, regulate the amount of current expenditures. In a period of depression he can force a cut in the budget just as in a period of expansion he can bring about an increase. He is helpless, however, when it comes to debt service; and when debt service assumes a substantial proportion of the current budget frantic economy efforts are vain. Adequate means of debt control to eliminate the trouble at its source are necessary to solve this phase of the tax problem.

Relief, of course, is a different matter. It is not a normal governmental expenditure. And we have not yet discovered how to control employment. One thing we do know. While it is inevitable that our expenditures for public welfare will increase tremendously as the years roll on, they must be substantially reduced so far as local budgets are concerned or trouble lies ahead as well as behind.

In any event, it is along these lines that thinking is needed. Adequate measures to control debt and a solution to the relief problem would go far toward putting our municipal houses in order—or at least within the control of the citizen who foots the bills.

The Answer, Mr. Editor, Is "Yes!"

> One of the most direct routes to municipal chaos is through the proportional representation system, and it is sincerely to be hoped that the Springfield Taxpayers' Association will consider further this part of the program as submitted to the committee and that the committee will weigh carefully this part of what is asked for. They are still trying to find out who was elected a month ago by the preferential voting system in New York, and they may never really know. Does Springfield want such a system, even if it does look good on paper?—*Springfield, Mass., Daily News,* December 2, 1937.

The answer to the editor's question is "Yes!"—if:

Springfield voters want most of their votes to count instead of having those of strong minorities and even majorities nullified by being spread among numerous candidates, as so often happens under the old system;

Springfield voters want minorities represented in proportion to their strength, as is democratic and fair;

Springfield voters want to assure the democratic ideal of majority rule;

Springfield voters want to avoid the dangers of machine rule through gerrymandering of districts.

And so on. There is no need of listing here the obvious advantages of this form of voting. The editor and all Springfield voters may read a complete and authoritative discussion of the subject by investing twenty-five cents in Dr. George H. Hallett, Jr.'s new book, "Proportional Representation—The Key to Democracy."

The two statements included in the quotation above from the editor's remarks clearly show a lack of information, because:

1. Proportional representation is distinctly a step *away* from municipal chaos, as has been demonstrated in Cincinnati, Toledo, and even in New York;

2. On December 2nd, when the editorial appeared in the *Springfield Daily News,* New York was *not* "still trying to find out who was elected a month ago." New York knew, and was pleased, for, at long last, the voters had destroyed the unscrupulous gerrymandering of districts which had permitted one political party to have a 95 per cent domination in the legislative body while casting only 65 per cent of the votes.

Springfield should compare its problem with those of smaller cities than New York, to come nearer to the truth. Toledo, more than twice as large as Springfield, knows the result of its P. R. election in three days. Cincinnati, four times as large as Springfield, finishes its count in about a week. New York would have used voting machines, and so had the result next day, had not the politicians interfered.

After all, what is principally to be desired of an election: prompt knowledge of the result or a guarantee that the result shall be fair and democratic?

Public Ownership and Control of Urban and Suburban Land[1]

A well rounded land policy should be evolved that will safeguard for all the people their common rights to the land

WAYNE D. HEYDECKER

Director of State Planning, New York

IN THE short space of a century America has changed from a primitive frontier society to an industrialized urban concentration. Since 1790 our cities have increased in population three hundred-fold, while rural population has increased but fifteen-fold.

Population growth is slowing down. Present indications are that metropolitan areas will continue to draw population from rural areas and small urban cities, although central cities may decline in population.

L. Segoe, Director of the urbanism study,[2] in a paper before the National Planning Conference in Detroit in May described these cities in the following words:

> Concentration and congestion of every sort—population, buildings, and traffic—inadequate public facilities in the center; haphazard dispersion, unnecessary or premature subdivisions and superfluous public facilities in the outskirts; overintensive land uses in small central areas, under-use and deterioration in large sections; indiscriminate intermingling of incompatible uses everywhere save the more recently built up areas; lack of public spaces for recreation and other socially desirable purposes and an excess of unproductive privately owned land; lag in needed public improvements; despoiled water fronts, unattractive general appearance, obsolescence, inconveniences, inefficiencies, and waste of material resources and human effort, public and private—such is a more or less representative partial list of the most prevalent evidences of our failures in city building.

We have submarginal cities and villages just as we have submarginal rural areas. Both are sick. Left alone, they will either grow sicker and be abandoned by their remaining occupants or they will ask to be treated to get back their health. Fortunately there are 144 definitely planned new communities in this country which, largely as a result of such planning, were found by the urbanism study to be comparatively free from the physical defects and deficiencies common to unplanned communities.

Except for these encouraging examples of what can be done, let us admit that we have made rather a bad job in the building of our cities and try to find out why it happened thus.

The first cause is the amazingly rapid rate of growth that has characterized our urban development in the last century and a quarter.

During this period of boisterous adolescence our nation as a whole came to worship bigness rather than quality. Cities vied with each other for rank in the census volumes. They annexed outlying territory, they built competing railroads, they hopefully financed ill-assorted industries, they gauged everything by size and are now learning that debt-ridden public treasuries, heavy tax burdens, and low standards of urban living are the fruits of our past folly in this respect.

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[1] Suggestions contained in this article are all offered for further discussion as tentative remedies or policies on which the New York State Planning Council has not as yet taken any stand. They are to be construed solely as the author's own suggestions.

[2] *Our Cities—Their Rôle in the National Economy,* Report of the Urbanism Committee to the National Resources Committee, Washington, D. C., 1937.

Coincident with these excesses there occurred an orgy of land speculation never before equalled in the history of the world. The state of New York sold off its vast land holdings. Cities that were fortunate enough to own much of their land originally, sold their holdings in haste at ridiculously low prices often to finance public improvements and services to keep pace with rising demands. The fever of land speculation was rampant everywhere. Land prices rose by leaps and bounds. Land that was sold by our cities for trifling sums has been bought back at staggering figures because it was later needed for public purposes.

Curiously enough there also arose the fiction that in this great country good land was scarce. A hundred years ago throughout New York—in New York City, in Auburn, and in Buffalo—according to historic records we passed through just the same kind of feverish cycle of artificial scarcity, land boom, crash, depression, and tax delinquency as we have had within recent memory.

If a city is circular in shape with a radius of one mile from the center to rim at all points, an extension of only four-tenths of a mile of radius will double the city's area. If subdividers in their enthusiasm push out the boundaries as much as one mile in all directions the area of the city will have been multiplied by four. And that means corresponding outlays for pavements, sewers, sidewalks, water mains, etc. Meanwhile unless population growth has been phenomenal the supply of vacant lots will have exceeded many times the demand for building sites, or even the speculative demand predicated on resale at a profit.

The areas in which these premature subdivisions occur most frequently are in the outskirts of the larger cities and in the suburban towns immediately adjacent. High governmental cost payments per capita and high debts per capita appear to be definitely related to these epidemics of land subdivision.

NO LAND SCARCITY

There never was, there is not now, and there is not likely to be any real scarcity of urban land in this great country of ours. All the area of all the municipalities of the country scarcely exceeds 1 per cent of the total area. And of the area within the average municipality approximately 40 per cent lies vacant. The 60 per cent that is used includes all the area devoted to streets, parks, and other public uses as well as the area occupied by privately owned structures. There is no lack of room for growth.

Laws that have tried to prevent sales by metes and bounds have proven ineffective. The most promising methods of subdivision control appear to be legislation requiring the developer at his own expense to install or give bond to install necessary public improvements such as sewers, water mains, streets and sidewalks, as a condition precedent to the approval of his plat, and legislation limiting the powers of incorporated areas to establish special districts and to borrow money for improvements that serve additional unnecessary subdivisions.

Because of present limitations and the failure of outlying suburban and rural towns to take forward steps under existing law, many municipalities seek extra-territorial power to control subdivisions in neighboring towns. This power while used in other states and under special act by Syracuse, New York, in general appears to lack effectiveness. It is therefore suggested that there be given to county and regional planning boards clearly defined power to control subdivisions in unincorporated territory or at least in towns which have not used their own powers.

Thousands upon thousands of parcels of land, subdivided and sold in expectation of the onward rush of population, are today tax delinquent. Their number and extent in several sample metropolitan areas will be shown in a report shortly to be issued by the New York Division of State Planning.

So long as these tax delinquent lands are counted as part of the tax base, and uncollectible taxes are levied annually thereon, we shall be piling up deficits which will have to be met by those taxpayers who still can pay. Common sense and sound economics suggest that these abandoned parcels should, as speedily as possible, be taken out of the underlying tax base through the process of tax foreclosure until such time as they can again be made productive.

Erie County, New York, has taken the lead in that state in remedying this situation. Out of 83,276 vacant lots in arrears, that county had, up to December 1, 1936, by tax foreclosure taken title to 11,877 lots grouped in subdivisions.

LAND BY FORECLOSURE

The present process of tax foreclosure is cumbersome, slow, and costly. Often the cost is disproportionate to the value of the parcels so salvaged, but their present status as a kind of economic "no man's land" ought to be corrected. Towards this desirable end a committee of the New York Mayors' Conference last May presented a series of excellent specific recommendations. By some such means an economic way ought to be found to clear the tax base at least temporarily of these orphaned lots.

In this process the municipalities will acquire thousands of scattered lots and acreage parcels that have a future potential value. Consequently there should be provided, by proper enabling legislation, authority to the municipalities to exchange parcels so as to consolidate sites needed for school buildings, police and fire houses, local parks and playgrounds.

Planning for green belts, outlying wild parks, marginal highways, and other large scale public improvements which, because of their nature can be located only in the outlying portions of the metropolitan areas, is made difficult because of the high price of the necessary outlying lands, which prices were generated by the subdivision boom itself. Much of the land necessary for these improvements may now be had for the cost of foreclosure.

Titles to such lands, once vested in the municipality or county, should not again be alienated until the most careful study has demonstrated that greater public benefit will come from the sale of the fee than from the utilization of the land on a leasehold basis. This would give time for the planning board in each city and county to discover the most practical use that can be made of such tax-foreclosed lands, and to determine how such use would harmonize with the community's master plan.

Since land in our cities is not scarce, but plentiful beyond the probability of utilization, then it must follow that there is no need to pay famine prices for urban land. The value of land is dependent upon the presence and productive power of an intelligent population. The areas actually devoted to industrial production and mercantile business in our cities are relatively small. What the people can afford to pay for home sites is determined by their earning capacity. Only a modest proportion of our population consists of well-to-do citizens. The potential value of our residential land must therefore be looked at from this realistic viewpoint.

What is urgently needed therefore is the reasonable devaluation of urban residential land so that those citizens who desire to build may either lease the building sites they need or purchase them without paying prohibitive speculative prices. Idle lands like idle men are a liability not an asset. Tax foreclosure proceedings should therefore be pushed as rapidly as possible and the land thus acquired either used for necessary public purposes or leased to those who can and will make use of it, on terms that will repay the municipalities for the services they will render to the occupants of such lands.

LAND PURCHASE OPPORTUNITIES

Back in 1932 the late Robert Whitten, then president of the American City Planning Institute, urged American cities to take advantage of the exceptional opportunities then existing to add to their land holdings and to establish reasonable areas of municipal land reserves.

"The wisdom of his sound advice," says the institute's committee on urban land policies, "apparently little followed in the interval, has become more and more evident with the passage of the years. With various modifications as to aims and procedure the acquisition of land reserves by governmental units is being increasingly urged."

Many authorities agree with Dr. Whitten upon the desirability of having the public acquire not only by tax foreclosure but also by direct purchase, and eminent domain when necessary, such lands as may be needed for public purposes or to prevent the unwarranted increase of land prices for speculative purposes.

The report of the urbanism committee[2] agrees with the principle that increased land ownership by our cities would be beneficial, and "accordingly recommends the liberalizing of the fundamental laws of the states in order to permit urban authorities to acquire, hold, and dispose of land with greater freedom and to allow a wider interpretation of the term public use."

Many cities at present can acquire land for municipal purposes only. This applies to all methods of acquisition. Moreover, the eminent domain statutes quite generally prescribe procedure which is highly technical, expensive, and dilatory, and the awards are often excessive. Only a few cities are at present equipped with the powers, the personnel, and the procedure customarily employed by private real estate organizations.

In a two-volume study of *Slums and Housing,* published June, 1936, Dr. James Ford urged the extension of public ownership of land for two major purposes—to avoid recurrence of the evils of exploitation of land against the public interest and to give the government a firm control of the housing situation. Land, he argued, is a proper field for public ownership. Management of land is chiefly a legal rather than a business problem. It is a type of business that government could handle efficiently. Accounting is simple. Public interest is paramount.

In a tentative program for federal coöperation with local governments and private enterprises in meeting the housing needs of the lower income groups, Frederic A. Delano, chairman of the Central Housing Committee and vice-chairman of the National Resources Committee, suggested the propriety of federal assistance to local governments to purchase land for practically the same two purposes: to help municipalities provide low-rent housing for families unable to afford shelter of minimum standards; and to stabilize the value of low-cost residential neighborhoods whenever protection by zoning regulations is incomplete, thus promoting simultaneously the home-building industry and sound community planning.

"The federal government," Mr. Delano said, "might properly offer to pay a certain percentage of the cost of acquisition of land by municipalities, on the condition that the municipality, in using such land, should take suitable precautions to insure the sound development of the neighborhood. The federal government should be careful not to subsidize the development of neighborhoods of jerry-built houses nor of surplus residential sections, nor of poorly planned communities. It should offer financial assistance only when municipalities follow a proper and well considered housing and land-use policy."

URBANISM COMMITTEE RECOMMENDATIONS

In line with these suggestions the Urbanism Committee recommended legislation creating a federal credit agency authorized to make loans and grants under adequate legislative safeguards to state and local governments for the purposes of public works construction, acquisition or construction of public utilities, land purchases, and similar capital outlays, and for extending credit to these governments in periods of economic stress. At the same time, the committee believes that direct federal expenditures in cities should be reduced to a minimum.

Admitting the need for such a new land policy, how much land should a city acquire to make its program effective? In the built-up area the land required for needed public facilities for twenty to twenty-five years in advance should be determined from the master plan.

In the blighted areas and in the outlying areas the acquisition of a relatively limited number of carefully selected properties for current demands and those of the near future would probably prove effective in holding down land prices for both public and private housing developments, without the necessity of accumulating large holdings.

To preserve the land value increments within the city a ring of municipal land reserves or a green belt might be secured if not too costly. Stockholm owns key tracts totaling twenty thousand acres within nine miles of its center and these are developed by the city as occasion requires. Manchester, England, has developed Wythenshawe, covering thirty-five hundred acres; London has developed Beacontree; Hamburg, Dusselldorf, and Ulm in Germany have developed extensive holdings. Therefore, in addition to acquiring through tax foreclosure those lots which have been deserted by their owners, the municipalities should seek enabling legislation to simplify public land purchases and should acquire over a period of years for city planning purposes and for the prevention of speculation as much land as may be required to give them effective control of their destinies.

That may seem to be begging the question. How much, you may ask, is enough to give them control of their destinies? That depends on what other corollary methods of control are employed. If no other controls were available, and complete control were regarded as essential, the answer would obviously have to be, "complete ownership of urban land," but such a program is both unnecessary and unthinkable in America. Public ownership is not an objective in itself but one of many means to the objective of public control of urban and suburban destinies. Time does not permit discussion of the many corollary methods which have been suggested and many of which have been employed in this and other countries—more effective platting laws, better zoning powers, adjustments in the relative impact of taxation on land and the improvements thereon, more effective methods in slum clearance, tax foreclosure and land purchase technique.

Let us therefore revert to fundamentals. The constitution of the State of New York, for example, says, in article I, section 10: "The people of this state in their right of sovereignty, are deemed to possess the original and ultimate property in and to all lands within the jurisdiction of the state."

In furtherance of that solemn declaration, which no doubt has counterparts in other state constitutions, let us evolve a well rounded land policy that will safeguard for all the people their common constitutional rights to all the land, while at the same time preserving the benefits of individual initiative and dealing justly with those to whom under our present laws the management of our lands has been temporarily entrusted.

Such a program, employing many of the measures for public control of land not discussed in this paper, and reverting to public ownership only where other measures prove ineffective, might conceivably include the following:

I. Preparation of Plans

1. In every municipality and county an official planning board competently manned and adequately financed, a master plan, an official map, and a zoning ordinance;

2. The development of plans for self-contained neighborhoods, with some appropriate form of legalized neighborhood organization, to work with the local planning board in the development of such neighborhood plans;

3. Master plans for the development of each county as already provided by statute, such master plans in turn to be harmonized with state plans;

4. Local planning laws so amended as to permit local governing bodies to appoint the county planning board as their agent in all planning matters.

II. Regulation of Private Property

1. The modernization of all zoning maps and ordinances to provide more effective limitations as to permissible bulk of buildings, and to reduce the excessive areas now allocated to business, apartments, and other intensive uses;

2. Legal sanctions to permit the zoning of land in open areas for specialized uses not now included within enabling acts, such as agriculture, recreation, foresting watershed purposes, flood control and the like;

3. County zoning ordinances for unincorporated territory;

4. A requirement that before adopting or amending local zoning ordinances the governing body of each municipality should be required to procure thereon an advisory opinion from the county planning board.

III. Subdivision Control

1. Authority to county planning boards to pass upon plats in unincorporated territory;

2. Authority to cities and villages, where they so desire, to designate county planning boards to act for them in passing upon subdivisions;

3. A requirement that other city and village planning boards should procure an advisory report from the county planning board before passing finally upon a plat with perhaps three-fourths vote of the local planning board required to over-ride an adverse report by the county planning board;

4. Authority to all planning boards to require that as a condition precedent to the final approval of a plat, the developer at his own expense should install or give bond to install the physical street improvements deemed by the planning board to be necessary in the interest of the public health, safety, and general welfare.

IV. Improvements in Legal Procedure with Respect to Land

1. Simplification and strengthening of present laws for registering land titles in accordance with the well established principles of the Torrens system of title registration already used in several states.

2. Amendments to the present cumbersome system of foreclosing tax liens to permit speedier, simpler, and less costly procedures.

3. Immediate revision of tax laws where

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Proportional Representation and the Constitutional Convention

New York's prime advocate of better government suggests use of P.R. for convention delegates and members of a one-house legislature

SAMUEL SEABURY

Former Judge, New York Court of Appeals

Editor's Note.—This article consists of excerpts from Judge Seabury's address of November 20th, which formed the climax of the National Municipal League's recent convention in Rochester. The editor has taken the liberty of omitting certain references to local situations which were of great interest to New Yorkers but which he considered of limited significance for those outside the state.

In view of the approaching New York State Constitutional Convention, it may not be inappropriate to inquire what should be our attitude in regard to proportional representation and certain other principles which have a direct bearing upon good government in both city and state. Let me point out the partisan and unrepresentative manner in which delegates-at-large to the convention are elected, and to suggest that the only fair way in which they should be elected is by proportional representation.

Under existing statutes, delegates-at-large to the constitutional convention are nominated and voted for in the same manner as presidential electors, although there is not the slightest resemblance between the functions which they respectively perform. Presidential electors have but a single duty to perform: they register their votes in the Electoral College for the presidential and vice-presidential candidates nominated by their party. The delegates to a constitutional convention, however, perform no such single, simple, and partisan act: they meet to discuss, consider, and formulate constitutional provisions in relation to a multitude of subjects, and they are intended to be representative of all, and not merely a political faction, in the state. It is certainly strange that the anomalous institution of our Electoral College—a mere instrument through which the sovereignty of our several states finds expression—should be the model by which we select delegates to formulate the state's basic law. In the method prescribed for voting, no opportunity seems to have been overlooked to prevent the citizen from casting a discriminating ballot for delegates to the constitutional convention. The system was designed to place the control of the delegates under the domination of political parties, and the method provides a sort of party list system under which it is very difficult for the elector to select the best names among the candidates on all tickets. It has been made impossible, except by taking pains and exercising discrimination which experience shows the voter will not exert, to avoid selecting the whole of a party list—the bad with the good.

Some of the candidates for delegates-at-large to the convention have been elected only because many voters thought they had to select some one list as a whole, and these candidates happened to be on the one they selected as the least of all the evils. Against the partisan and haphazard method now in force, consideration should be given to the proportional representation system, which is particularly well adapted for the selection of a group such as delegates-at-large to a state constitutional convention. If the new constitutional convention does nothing else, it ought at least to prevent the present archaic, partisan, and unjust method from being perpetuated.

The proportional representation method of election should be applied to the election of members of the legislature. The time has arrived when we should make even a more fundamental change in the legislative branch of our government. The executive and judicial branches of the government have expanded their powers at the expense of the legislative, and consequently this branch of our government, which, under democratic or republican forms of government, is supposed to be, for general purposes, representative of all the people, is often the least representative. This, coupled with the character of some of the members of the legislative branch, as well as their lack of intelligence and their inability to vision, initiate, or carry through constructive proposals, has produced the result that the legislative branch of our government has forfeited public confidence.

A ONE-HOUSE LEGISLATURE

Proportional representation would bring to the service of the state a different type of legislator, and would give the people an opportunity to be represented in the legislative branch of the government by the best, instead of the worst.

If a serious attempt is to be made to restore the legislative branch of the government to a position of influence and authority, it would, in my judgment, be well to do away with our bicameral system, and substitute instead a single legislative chamber, the members of which would be elected by proportional representation. In making this suggestion, I am glad to recall that it is in accord with a recommendation made by the National Municipal League in 1920. In so far as the abolition of the bicameral system is concerned, the state of Nebraska has already led the way, and has given us a precedent which is worthy of being followed. . . .

The establishment of a unicameral legislature would result in a government more truly representative than that which we now have. A unicameral legislature would simplify our legislative processes enormously. It would centralize responsibility and focus public attention upon the relatively few who are required to act, and thus create conditions which would tend to make the lobbyist or other members of the "third house" unwelcome in legislative halls. It would also avoid the inevitable log-rolling which takes place between separate legislative chambers, and by dispensing with one altogether, would relieve the state of a financial burden which, in these days, ought not to be regarded as too insignificant to receive consideration.

The argument that we need a bicameral system, in order to preserve necessary checks and balances, has no application here. The real check lies in the executive veto, which should be retained, and the further check arising from the right of judicial review. Where the two houses of a legislative body are composed of representatives of practically identical groups, as are the members of our state assembly and senate, the supposed arguments in favor of the bicameral system no longer have any weight. This has been recognized even by the advocates of the bicameral system.

If we are to make our governmental machinery work, there are two essential changes which must be made: first, we must simplify it; and second, we must realize that the important factor is the personnel that is to be called upon to function. An incompetent or unfit man in any position cannot give good government. A competent and fit man can often give good government, even with cumbersome and defective machinery. But a competent and fit man can give better government if the machinery with which he has to work is simplified and well adapted to the end in view. . . .

You cannot have good municipal government, and you cannot have good state government, while the laws place the control of either government in the hands of party machines. The present constitutional provisions requiring bipartisan election boards, the provisions of the election law in reference to the nominating of candidates—all serve to give the party machine a monopoly to dominate these important functions; they make it exceedingly difficult for the independent elements in the state either to express their views or to nominate and elect their candidates on anything like fair conditions by comparison with the privileges now conferred upon the party machines.

Every constitutional convention of late years has been confronted with the problem of reapportionment. The difficulties to which this problem gives rise have often not been solved, but have been relegated to the legislative branch for solution. It is an issue upon which members of the legislative branch have deadlocked, with the result that no fair apportionment has been made. It is one of the chief advantages of proportional representation that it eliminates this knotty problem, and in its operation does its own reapportionment. This result it accomplishes, not by log-rolling, not by gerrymandering district lines, but by affording an opportunity to the various elements in the community, in proportion to their numbers, to determine the manner in which they shall be represented. For example, in New York City the law does not prescribe the number of seats in our new city council. It may consist of thirty, or more or less, dependent upon the valid votes cast for members of the council, the law prescribing merely that a certain number of votes shall constitute a quota which will insure the right to a representative.

An effort should be made in the forthcoming constitutional convention to devise methods which will enable the people to have a truly representative legislative branch of the government, and thus enable that branch to regain the prestige and influence which it has lost. A single chamber, the members of which would be elected under the proportional representation method, would not only simplify our system, but would do more than any other one thing to make it possible for the people to improve the personnel of their legislatures.

IMPROVING DEMOCRACY

I have ventured to discuss these proposed changes in our legislative processes because it is the legislative processes, primarily, that have failed us in our democracy. I am not unconscious of the fact that throughout the world today there are those who loudly proclaim that democracy is a failure and merely a "cult of incompetence," and that the only substitute for that failure is a dictatorship of some sort which shall embody the totalitarian state. I challenge the truth of this statement, and the whole debasing philosophy upon which it is founded. It is neither new nor true, and is nothing more than the time worn dictum of oppressors that men have no right to liberty other than that which tyrants shall prescribe for them. Yet if we would preserve our democratic institutions, we must cure their defects and remedy the abuses which have arisen under them. This we can do only by democratizing our so-called democratic processes, so that they shall become adequate agencies through which representative government may find expression. This at least is the first step which must be taken, and without which the people themselves will have no opportunity to deal with the vital social and economic problems which confront them.

I do not say that there is any single panacea by which the defects and abuses arising under our system can be cured. I know there is not. But I do urge most earnestly that the extension of the proportional representation idea would do much in this state to democratize and to improve, and make truly representative, the legislative branch of the state government.

We have made a beginning in the effort to make the new council in New York City a democratic and representative body. That effort has been made in the face of great obstacles that have been thrown in the way by public officials whose duty it was to prescribe the machinery for taking and counting the vote. In the first place, they delayed to the last minute the work of preparing for an election under the proportional representation method. They delayed this preparation by attacks upon the constitutionality of the provisions of our charter which prescribed that the election should be by proportional representation, and even when the courts decided that that was a method consistent with the provisions of our state constitution, they resorted to dilatory tactics—legal and otherwise—designed to throw further obstacles in the way. These dilatory tactics were resorted to in the hope of discrediting proportional representation and thus lead the people to return to the old territorial system of plurality voting, under which the political boss and district leader thrive.

Notwithstanding the fact that our local authorities failed to act upon the proposal for having the voting and counting done by machines, so far as this count has gone, there is nothing discouraging in it, and when it is concluded it will establish another vindication of the correctness and soundness of the principle of proportional representation. Whoever may have a majority in the next new council, it will be a council truly representative of our city; it will be a council composed of men far superior to those who have heretofore been elected to the board of aldermen under the territorial system of plurality voting.

Let me say a few words in reference to our present administration in New York City, which has broken and cast into the discard the local tradition that a reform administration could not succeed itself. Under the matchless leadership and administration of Mayor LaGuardia, the City of New York, which had, through piratical Tammany elements, been brought to the verge of bankruptcy, has been rehabilitated and its credit restored. Every agency of the city government which theretofore had consisted of machine controlled and operated bureaucracies, has been converted into an agency for social and humane service to the people of the city. . . .

We have established a new government in New York City by adhering to the nonpartisan principle. This principle is of universal application to civil government. You cannot run a city, a state, or a nation for the benefit of a party, as distinguished from the benefit of the people. What New York needs is a nonpartisan government in the state, as well as in the city, and the people of this state are going to be satisfied with nothing less.

Those engaged in promoting the cause of proportional representation and curing the defects of our political system are keeping step with those who are leading the people toward democracy throughout the western world. Let us not be misled—it is only in the establishment of a democracy securing economic and social justice that the progress of dictatorships, so destructive of human freedom, can be stayed and international peace maintained.

CONTROL OF LAND

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necessary so as to make each unit of government solely responsible for its own errors of judgment in making expenditures for improvements far in advance of need.

V. Rehabilitation Measures

Appropriate legal sanctions to permit municipalities to rehabilitate defective subdivisions by adjusting property rights with the owners who still have equities therein, closing streets, replatting where necessary, taking public title where equities have vanished, and generally readjusting the financial structure of such defunct or defective subdivisions;

2. Wider use of the authority given to municipalities for rehabilitation of blighted districts or slums under the municipal housing authorities acts or state housing acts.

3. The wider use of excess condemnation as a supplementary tool for facilitating such rehabilitation.

VI. Land Acquisition and Management for Public Purposes

ACQUISITION

1. Authority to all counties and municipalities by improvements in tax foreclosure procedure to secure promptly and inexpensively title to all land that has been tax delinquent for more than two years, in order to clear the tax base of these fictitious assets;

2. Appropriate amendments to procedure for acquiring land to enable counties and municipalities to purchase land on a businesslike basis, efficiently, quickly, and at fair prices;

3. The acquisition under both these processes by counties and municipalities as rapidly as funds permit of so much of the land as may be necessary to secure reasonable control of the market for vacant land for housing enterprises, industrial sites, sites for slum clearances or the rehabilitation of blighted districts, and such other public purposes as may be necessary to the realization of their master plans.

MANAGEMENT

4. Enabling legislation to permit each county and municipality at its option to establish under civil service a real estate bureau to purchase and manage in the public interest all lands however acquired by the county or municipality.

5. Such real estate bureaus upon the recommendation of the official planning board to set aside such lands as may be suitable and necessary for the fulfillment of the master plan, and pending their ultimate utilization for such purposes, to lease such lands at public bidding on a temporary basis, subject to appropriate conditions, and for uses not incompatible with such master plan and zoning ordinance, so that the public may enjoy a revenue therefrom.

SALES OR EXCHANGE OF LANDS

6. Such bureau to have the power to sell or exchange such publicly owned lands whenever in its opinion, and that of the official planning board, such sale or transfer will contribute to the realization of the master plan, the former owner of record of any improved parcel to have certain priorities in any such sale or lease.

VII Federal Assistance for Such a Program

1. Loans or grants by the federal government, subject to appropriate conditions, to assist the local governments to purchase land for two purposes:

a. To provide low rent housing for families unable to afford shelter of minimum standards;

b. To stabilize the value of residential neighborhoods whenever protection by zoning regulations is incomplete.

VIII. Possible Corollary Changes in Assessment and Taxation of Land

1. A change in current assessment practice to lay greater weight upon true values, i.e., capitalized earning power, actual and potential, and less upon the fiction that a sale price arrived at in a highly speculative market between a free and willing buyer and a free and willing seller is the determining index of real value.

2. Serious consideration of legislation to permit municipalities, at their option, to provide for a partial exemption of buildings as has been done in the second class cities law in Pennsylvania, under which the reputedly successful Pittsburgh graded tax plan has been operating since 1913.

EDITOR'S NOTE.—Address delivered at Forty-third Annual Conference on Government of the National Municipal League, Rochester, New York, November 18, 1937.

Effects of North Carolina's Centralization

State control of roads, schools, prisons, and local finance proving efficient and satisfactory. Principle recently extended to other activities

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THE effects of North Carolina's centralization may be assumed to mean: (1) the effect on the amount and distribution of the tax burden; (2) the effect on the quality of public services; and (3) the effect on civic attitudes. The first can be rather precisely measured, the second can be observed rather than measured, the last is not only an intangible thing but one which is not immediately registered.

Space does not permit a review of the steps by which the administration and support of schools, roads, prisoners, and certain classes of dependents were shifted, in large measure, from the local governments to the state. This paper therefore sets forth comparative figures for a year prior to the major transfers and a recent year.

EFFECT ON TAXES

The year 1929-30 represented the peak in state and local taxes until last year, the total volume shrinking from slightly over $102,000,000 in 1929-30 to a low of $80,500,000 in 1933-34, and then climbing to $106,500,000 last year. The aggregate will be still greater this year due mainly to the social security program and a more general resumption of debt retirement.

The effect of centralization may be observed in the county tax rates. In 1928 the weighted average rate was $1.25, slightly over half of which was for schools. In 1936 the weighted average rate on a lower valuation was 90 cents, of which 26 cents was for schools, mostly school debt service. In 1928 only ten counties had a rate of $1.00 or less whereas fourteen had rates of $2.00 or more. Last year forty-three had rates of $1.00 or less and only two were $2.00 or more. Were it not for the heavy indebtedness of most of the counties their present tax rates would be very nominal, for 62 per cent of the levy in the average county is for debt service.

In seven years state and local governments have exchanged places in the proportion of taxes borne by each. In 1929-30 the state was carrying 36 per cent of the burden and the local units 64 per cent; by 1936-37 the proportion had been reversed, the state bearing 64 per cent and the local units 36 per cent. This means essentially a transfer from property taxes to other forms of taxation, for the state tax in neither year included any tax on property. The reduction in property taxes has been from $63,000,000 in 1929 to $35,500,000 in 1936. The county-wide property levy decreased from $37,000,000 to $20,000,000, the district and township levies from $12,000,000 to $3,000,000.

While the trend from local to state support of public services has resulted in a pronounced decrease in the tax on property there has necessarily been a substantial increase in other forms of taxation. The sales tax, a new tax, yielded over $11,000,000 last year. The tax on incomes, personal and corporate, was almost $11,000,000 last year compared to $7,650,000 in 1928-29. Franchise taxes have doubled from $3,679,000 to $7,362,000. Revenues of the highway fund—from taxes on gasoline, automobile licenses and registrations—have increased from $17,000,000 to $30,000,000. Last year state revenues were $69,180,000, compared to $50,983,000 in 1935 and $36,777,000 in 1929-30.

EFFECT ON ROADS

In 1931 the North Carolina Highway Commission had built and was maintaining about 10,000 miles of primary roads. In that year it was given the added task of reconstructing and maintaining 46,000 miles of secondary roads. Quite as important but less advertised was the transfer to the state highway commission of 4,000 prisoners from the county road camps and chain gangs, and two years later there was a complete consolidation of the state prison and highway departments. North Carolina has thus entrusted to the state highway and public works commission a job of the first magnitude. It includes maintenance of 58,000 miles of highways, direct employment of about 10,000 persons, supervision of construction projects on which from 3,500 to 10,000 others are employed, and care of 9,000 prisoners—the second largest number under any single agency in the United States. In addition to the designing, construction, and maintenance of roads and bridges, it operates factories, laundries, bakeries, dairies, canneries, and farms.

Ten years ago practically all of the state's primary roads were new and in good condition. It is generally recognized that the concrete and asphalt roads built from 1921 to 1927 were exceptionally well built and compared favorably with roads built anywhere at that time. But today nearly 60 per cent of the state's 4,800 miles of high type highways are more than ten years old, and these older roads are generally carrying the heaviest traffic. Moreover, they were built primarily to serve passenger cars traveling at moderate speeds. Today they are subjected to the constant pounding of swift and heavy traffic. Many of the primary roads need to be rebuilt but it will cost a lot of money and the people of the state are not ready to issue more bonds.

Equally insistent is the demand for all-weather secondary roads. When the state took over the 46,000 miles of secondary roads in 1931 the counties were spending approximately $9,000,000 a year on their maintenance. Never again until this year has the highway commission had that much to spend on them, though the people demand superior and uniformly good maintenance.

The consolidation of rural schools has increased the importance of all-weather serviceability of the secondary roads. The state is transporting 275,000 school children daily—more than any other state in the union. Four thousand buses travel 130,000 miles daily. At least 80 per cent of the total mileage in the highway system is traversed by school buses.

I have asked several county officials whether the secondary roads are being as well maintained by the state as they were by the counties and the answers are not unanimous. Out of five representative replies two state that the roads are maintained better now and three that they are not maintained so well. My conclusion is that at least 80 per cent of the counties have better roads under state maintenance than they had before. A few rich counties, which could afford to spend more per mile on their limited mileage than the state can justly spend on these particular roads, may suffer some slight disadvantage.

When queried on this point, a few county officials report that there is politics in road administration but most of them say there is less than there used to be. One or two suggest that local politics has merely been superseded by state politics. If it is true that the highway forces have been organized into a political machine, it is not the same machine that existed a year ago. Prior to this year, the highway commission consisted of a chairman and six other members appointed by the governor from anywhere in the state. The last legislature, at the request of the governor and in keeping with his campaign pledge, abolished the old commission and provided for a new one composed of a chairman and ten members, the latter so distributed that each is a resident of a district created for him, these districts being approximately equal in area, population, and road mileage. Not a single member of the old board was retained, nor was the chairman reappointed The governor's argument was that there was criticism of the old board and that he considered it wise to make a thorough house-cleaning. Moreover, he believes that every part of the state should be guaranteed a representative on the commission.

EFFECT ON PRISON ADMINISTRATION

As previously stated, when the state took over the roads it also took over the prisoners serving sentences in the county jails and on the county chain gangs. These prisoners are lodged in eighty-four state-operated prison camps scattered over the state. The chain gang is a thing of the past. Of the eighty-four camps, forty-three are new. They are well built barracks set in a spacious yard and enclosed by a heavy wire fence. The walls are painted and clean, the floors are of concrete and are kept scoured. The whole building is airy but adequately heated. There are shower baths and sanitary toilets. The kitchen and mess hall are in separate buildings. The prisoners sleep in double-deck beds on which are new cotton mattresses. There are separate quarters for the sick.

The other forty-one camps are those taken over from the counties and renovated or reconstructed. When taken over many of them were nothing to boast about, and could not be made over into as satisfactory quarters as the new ones, but in a few more years they will have all been replaced by modern, fire-proof quarters.

While these camps are not elaborate nor the discipline too indulgent, the prisoners are not denied the minimum physical comforts to which even convicts are entitled. They are required to work hard—pick and shovel work. But following their day's work they are returned to camp where they can take a hot shower, put on dry clothing, eat a wholesome meal, read or play games awhile, and then sleep in a clean, comfortable bed. They work under armed guards but there are no shackles.

Each of the camps has its farm or gardens from which fresh vegetables are secured in season, and immense quantities are also canned.

Since 1933 the state highway and public works commission has had the responsibility of administering the entire prison system including the central prison and the employment of all state prisoners. During the past four years the number of prisoners has increased from 4,700 to 9,000, the increase being due partly to the fact that all misdemeanants and felons sentenced for thirty days or more are assigned to the state rather than confined in the county jails. The state is seriously attempting to rehabilitate its charges and send them forth at the termination of their sentences equipped for honorable and productive citizenship. In keeping with this objective it has been modernizing the prison facilities, beginning with the central prison. An ancient fire trap, dark and foul, has been converted into a modern, sanitary, fire-proof structure.

The commission has given special attention to prison industries, for an idle prisoner is considered a bad prisoner. The automobile license tags are manufactured at the state prison, a part of the state's printing is done there, a bakery produces bread for the Raleigh institutions and for ten of the prison camps. Other industries include a culvert plant, a shoe factory, and a greenhouse. The last legislature appropriated $200,000 for a new industrial building in order to weave the cloth from which uniforms are made, knit prison sweaters and socks, and process prison-grown tobacco which convicts will smoke and chew. The objective is not only to make the prison as nearly self-sustaining as possible but to give the prisoners wholesome, constructive employment.

Authorization has recently been made for a women's prison to be built on the cottage plan, a plan which has proved successful in other states and is recommended by penologists.

The total cost of operating the central prison, the two prison farms, and the eighty-four prison camps in 1935-36 was approximately two million dollars or sixty-eight cents per capita per day. This includes all overhead and administration costs. This cost was completely met by charging the highway division for materials received from the prison farms and industries and $1.00 a day for prison labor. In other words, the state highway department must carry the prison department, including the bulk of the short-term prisoners normally found in county jails. Not a dollar is appropriated from the general fund for the state prison and the prison camps.

No aspect of centralization has more to commend it than this enlightened method of handling prisoners. More and more the prison administration is recognizing its job as one of rehabilitating maladjusted individuals rather than merely incarcerating them for a period. Neither the county jail nor the county chain gang ever succeeded in being or attempted to be a correctional institution. It had neither the facilities nor the impulse. We may be thankful that the chain gang has gone; the county jail, while now mainly a place of detention for prisoners awaiting trial, still exists in every county.

It is doubtful if we need one hundred county jails in the state; thirty would probably be ample, but inquiry fails to reveal any local sentiment for consolidation of jails. It must be admitted that more widely scattered jails would involve some inconvenience, for there were 6,787 persons committed to these seventy-eight jails in September, an average of three a day per county.

EFFECT ON SCHOOLS

The legislature met in 1933 in one of the darkest hours of the depression. Industry was paralyzed, farmers were prostrate, banks were crashing almost daily, taxes could not be paid, in some cases teachers could not cash their vouchers, and many schools were closing at the end of six months—the term for which the state was responsible. Many people urged the discontinuance of the locally-supported extended term, and some in their desperation suggested closing the schools entirely for a year. Faced with a $13,000,000 deficit and borrowing money only with difficulty at 6 per cent, it did not appear that the state could shoulder any more burdens. But in the face of this gloomy prospect, a courageous governor and a wise legislature determined that the weight of the depression should not be shifted to the shoulders of the children. It voted not to ease the burden on the state but instead to extend the period of state support from six to eight months, and to do this without a dollar from taxes on property. The wealth of the entire state was placed behind the education of every child—white and colored—every schoolhouse door was kept open, and every teacher paid promptly and in cash. It is true that salaries were cut—cut heavily, 32 per cent to be specific—but the honor of the state was saved as well as its credit. Salaries have subsequently been restored to 93.5 per cent of their old level—entirely from state funds—and any community by a favorable vote of its citizens may supplement this as much as it likes. This year thirty-five districts, including two counties, have voted supplementary taxes to pay higher salaries, to extend the term for a ninth month, or to provide facilities or services beyond the minimum provided by the state.

The construction and upkeep of school buildings is still a local responsibility, but the cost of fuel, janitor service, transportation, and all operating expense of the school is borne by the state. The item of debt service is the biggest item in the local school levies, and in most counties this has been made a county responsibility.

The first year under state support the appropriation was $16,000,000; this year it is $23,800,000, which will represent approximately 80 per cent of the total current expense of schools.

EFFECT ON MANAGEMENT OF FINANCES

In 1931 the local government commission was created to aid cities and counties in their accounting, sinking fund investments, and other fiscal matters. Probably the greatest service rendered by the local government commission in recent years has been the assistance it has rendered local governments in refinancing their debt obligations. While, of course, an unusually favorable bond market is largely responsible for the good terms obtained, it is unlikely that the local units could have taken full advantage of this market without the aid of the state agency. Neither would the bonds have sold so well without the safeguards that have been thrown around sinking funds and other regulatory devices of the commission. It is conservatively estimated that the refinancing plans effected between 1932 and 1936 will save the cities and counties of the state $36,000,000 in interest charges. Further savings will be realized by reason of the ability of these units to purchase and retire their bonds below par.

By the middle of 1933, sixty-two of the one hundred counties and 152 of the 263 cities of the state had failed to meet payment of their maturing obligations. Today only twenty-four counties and eighty-nine cities are still in default and many of these are in process of refunding. A constitutional amendment adopted last fall denies the state and any of its subdivisions the power to incur indebtedness, without a favorable vote of the people, in an amount exceeding two-thirds of the amount retired in the previous biennium.

EFFECT ON CITIZENSHIP

Now let us turn briefly to the final question. What has been the effect of centralization on citizenship, on the democratic control of government? Not trusting my own judgment, I again sought an expression from the county officials. One in his reply says, "It has a tendency to weaken local interest in county government. Certain matters do not get the consideration that they did before these functions were taken over by the state. You can hear a fellow say, 'Why worry about that, it is the state's business.' " Another says, "I do not think that the assumption of several major functions of local government by the state has weakened citizens' interest in county government as yet, but . . . I believe that in the next ten years you will find less interest on the part of the average citizen in his county government than there has been unless there is a change in the present trend." The most pronounced opposition to centralization seems to be in respect to schools. One county official says: "The feeling seems to be that the local school authorities are in more direct touch with the people and that state control is too far removed. . . . The members of the local board feel that their job is that of a rubber stamp." Another says, "Dual control and red tape still cause confusion. Neither the school board nor the school commission seems to understand the viewpoint of the other." Still a third says, "The people as a whole think the state somewhat autocratic in its rulings."

On the other hand, a prominent civic leader says, "The people feel that there is too much centralization of schools but I do not think that this is justified. They would like to make expenses what they please and have the state pay the bill. . . . As matters stand we could dispense with practically every county school superintendent and school board. There is nothing for them to do in most instances. With practically all of their authority gone we see a pretty poor class of men willing to serve on the school boards."

These answers probably represent a fair cross section of the more enlightened public opinion. It is recognized that remote control weakens local participation and interest in government. On the other hand, I suspect that the average citizen has more facts and figures about the administration of these governmental functions than he was ever able to get from the county officials. I suspect that he has more confidence in the administration, that he believes that he is getting more for his tax dollar. The danger is not loss of local control but civic indolence and apathy. Neither is there as much danger of excessive taxation as a result of loss of control as there is of considering the state as Santa Claus. Communities, like individuals, are more likely to maintain their perspective when they have to foot their own bills.

CENTRALIZATION GOES ON

On the whole, North Carolina is satisfied with centralized government. It is not going to return to the old regime. To the contrary, it is extending the principle to cover other activities. It has taken the first steps toward a state department of justice. It has set up a state-wide police radio system. It has set up a state liquor control board. It has substituted state for local taxation of intangibles. It has given to the state department of public welfare a large measure of control over the administration of the whole social security program. It was never more state-minded. Indeed, it is so much so that it is spending a quarter of a million dollars of public money to tell the world about itself.

New Jersey's Experience with Cash Basis Budgets

It is expected that all municipalities will be on a full cash basis by 1944. Budgets balanced on such a basis have already been adopted by seventy-one cities

ARNOLD FRYE *Bond Counsel, New York City*

IN NEW JERSEY, for the year 1937, budgets balanced on a "full cash basis" were adopted by seventy-one municipalities representing over 51 per cent of the taxable valuations and 47 per cent of the population of the state. Another thirteen will be required to adopt such budgets for next year, so that at least eighty-four municipalities having 53.03 per cent of valuation and 49.04 per cent of population, will be on a full cash basis for 1938. In addition, the results of the new budget act show that nearly two hundred more municipalities, with little change in their position, can presently go on such a basis and probably soon will, because the legislature has, in the budget act, set 1944 as the date when all municipalities in the state shall be on a "full cash basis" as defined by that act. Anyone reading this statement is naturally prompted to ask what is meant.

The New Jersey "cash basis" can best be stated as another and to date successful attempt to require municipalities so to make their budgets and employ their taxing machinery as to balance their anticipated current or recurring cash expenditures on the basis of cash, rather than accrued, income. It is another attempt to compel municipalities to adjust their plans for spending to what they may reasonably expect to have to spend.

The story of the circumstances of its adoption is illuminating. In 1932 the indebtedness of New Jersey municipalities represented one-fifteenth of the entire indebtedness of the municipalities in the United States and during the worst of the depression nearly 30 per cent in number of all local governments in the state were in default. The principal weakness of the former budget act (1917) was that it permitted municipal officers consciously to postpone the raising of revenue to meet necessary expenditure. During prosperity, with 70 per cent as a "good" rate of current tax collection, the remaining 30 per cent had to be carried for years, and of this percentage a portion was carried indefinitely and cumulated from year to year. With the onset of the depression, the rate of collection dropped progressively, but municipal officers could still avoid reducing current expenditure, avoid enforcing tax collections, and still leave the taxpayer in ignorance of the real situation. The result was a very large accumulation of floating debt—an accumulation in some cases greatly in excess of the capital debt. Inevitably there came a time when many municipalities, particularly the large cities which had the greatest accumulations, could borrow no more for any purpose.

The fact that some municipalities had got themselves into such serious difficulties that only the state could disentangle their finances was recognized as early as 1931 by the passage of municipal receivership legislation—the municipal finance commission act. When the finance commission went into a municipality by court order, the court realized that a heavy hand must be laid on the local government to prevent the incurring of new debt, to control and in every way possible reduce operating cost, and above all, to force the repayment of its debts within the shortest possible time. The state had recognized its responsibility, but so rapidly did the seriousness of the situation increase and so large were the amounts involved, that hope of using the excellent credit of the state to assure the refunding of municipal debt quickly disappeared. To the honor of the people of New Jersey it must be said that at the darkest hour the legislature provided that in no reorganization of an insolvent municipality shall the principal of its debt be reduced.

PROVISION FOR CASH BASIS

Bills to provide a new budget act failed of passage in 1932, 1933, and 1934, but the principle of the cash basis was established by the passage of chapter 60 in 1934—an act permitting the funding of floating debt over a twenty-year period, but requiring any municipality so funding to balance its budget (a) by confining its estimates of revenue to the percentages actually collected in cash in the preceding year, (b) by levying to meet its appropriations a tax sufficient, at the previous year's rate of collection, to raise the stated amount. Municipalities might borrow in anticipation of taxes, but any resulting debt is charged against anticipated revenues of the next year. Any cash deficit as determined in accordance with the act must go into the budget of the following year. Add to this the requirement that the budget be submitted to and approved by the state auditor as to compliance with the act, and you have roughly stated the cash basis principle as interpreted in New Jersey.

Beginning in 1934 and gaining great momentum in 1935, some of the largest municipalities have been able under this act to refinance themselves advantageously in the open market. Among them are Newark with a taxable valuation of $961,000,000, Paterson with $173,000,000, East Orange $116,000,000, Elizabeth, $139,000,000, Jersey City, $593,000,000, Passaic, $83,000,000, Hoboken, $86,000,000. Also included are smaller cities and every type of municipality. Under the temporary refunding provisions, being article VI-A of the new bond act of 1935, municipalities may fund or refund, subject to the approval of the state funding commission created by that act and composed of the state auditor, the attorney-general, and the tax commissioner. As a matter of state policy, this commission has generally required such municipalities to covenant with bondholders so to make up their budgets as to be substantially on a cash basis. Also in article VI-A of the new bond act, by amendment of 1936, substantially the complete provisions of chapter 60 were bodily incorporated as an optional measure. In the case of article VI-A fundings or refundings, the bondholder has the added protection of a rather careful examination by the staff auditors of the commission before approval of the refunding is given by the state funding commission.

As to actual operation on the cash basis, seventy-one municipalities have had one year's, about fifty have had two years', and a few have had three years' experience. While in some cases, after funding of floating debt, surplus may have been available to facilitate the transition, in no case has hardship resulted to the extent of an excessive increase in tax.

From a complete tabulation, the 1937 experience of the larger cities seems to be representative. The tax rates for local purposes in these cities were:

	1937	1936
Clifton	4.46	4.33
East Orange	3.20	3.18
Elizabeth	3.74	3.86
Hoboken	5.67	5.09
Jersey City	4.42	4.58
Newark	3.69	3.81
Passaic	4.38	4.41
Paterson	4.47	4.38

The aggregate of all seventy-one municipalities shows a local purpose levy for 1937 approximately 5 per cent less than for 1936. In marked contrast, the aggregate of all other municipalities shows a marked increase of levy. The cash basis municipalities are so much larger in size that the total levy for local purposes of the entire 562 cities was $1,139,000 less in 1937 notwithstanding the rigor of the new budget act. This decrease is the more surprising in view of necessary expenditures for services or functions curtailed or neglected in years of hardship, and in view of the fact that the legislature refused longer to continue the suspension of general acts for mandatory salary increases. On the other hand, local school taxes were increased by nearly $6,000,000 or nearly 10 per cent.

As to all cash basis municipalities, there is, so far as known, no reason to believe that any difficulty of compliance will arise within the next few years. The bondholder should, none the less, remember that vigilance is ever the price of safety. The mandatory requirement of the cash basis runs with the funding bonds, in that it is expressly made part of the contract, but in the case of chapter 60, it is subject to modification by act of the legislature in any session beginning with that of 1939. The protection under VI-A is of longer duration. This provision for amendment was reasonable in 1934 in view of the then uncertain future and may, in the event of another depression, work to the bondholder's advantage in that a temperate legislature may, if necessary, substitute other safeguards without impairing the essential security.

NEW BUDGET ACT

Experience with the cash basis was so favorable that the new budget act of 1936 was built around the cash basis principle. While not making a full cash basis mandatory for all municipalities before 1944, it incorporated immediately in the 1937 budgets some of the features of chapter 60, especially as to anticipation of income, in addition to some very salutory reforms in other respects, such as (a) improved procedure to give adequate notice and information to taxpayers, (b) progressive reduction of power to borrow in anticipation of collection of delinquent taxes, (c) requirement that all current financial operations be included in the budget. In preparing a budget act as compared with a refunding act, the legislature was unwilling to compel a general funding of floating debt, such as was forced by the Kansas legislature. The new budget act had to provide for five hundred municipalities (a) immediate reforms and (b) a progressive approach to a cash basis by mandatory reduction of borrowing power and mandatory reduction of floating debt by progressive budget appropriation during eight years without funding, whereas municipalities which fund their floating debt, may adjust its payment over a longer period and obtain new money to retire interfund indebtedness and to pay unpaid state, county, and school taxes. The act to be effective had to be made too stringent for the insolvent municipalities and there was so much concern as to the result that the legislature required of the state auditor a special report at a recent special session. This report shows that of the 562 municipalities, only thirty, in addition, of course, to the eleven in receivership, took advantage of the enabling act referred to below. Of the municipalities not then on a cash basis, over one-half, or 258, representing 29.84 per cent of the total taxable valuation and 30.17 per cent of the population, were not adversely affected by the budget act. Of the remaining 229 municipalities, representing 15.23 per cent of the total taxable valuation and 18.72 per cent of the population, which were adversely affected, 179, with 9.94 per cent of valuation and 12.10 per cent population, preferred to conform fully, in spite of the fact that there resulted in many cases a marked increase in the tax rate.

SOME CITIES STILL IN DISTRESS

The thirty which took advantage of an enabling act, chapter 10, laws of 1937, permitting partial non-compliance for one year, represented only 5.29 per cent of valuation and only 6.62 per cent of the population. Of this small proportion two cities alone—Atlantic City and Camden—have a combined valuation of $235,000,000 and population of 184,000. These and two others will be eliminated. Of the remaining twenty-six, the larger are now arranging refinancing operations so that within a year, there should remain about twenty, which, however, are so insolvent that if they had fully complied, they would have had tax rates ranging up to 18 per cent of the assessed valuation. It should, however, be noted that even these little places, in the endeavor to work out of their troubles, under the stimulus of the budget act, increased their tax rates, some even as much as 70 per cent over 1936. Another hopeful fact is that after another year the aggregate debt of the insolvents, in the hands of the general public, will be relatively small, only a few of the twenty-six having capital debts in excess of 15 per cent and thirteen having debts of less than 5 per cent of taxable valuations. Accordingly those interested in New Jersey municipal finance are hopeful that within two years a method may be worked out whereby even these places may be restored to solvency, their real problem being inability to collect taxes and hence to pay unpaid state, county, and school taxes for which New Jersey municipalities are liable.

During the year 1937, an additional three of the municipalities under the receivership, or municipal finance, commission, have been refunded with covenants which put them substantially on a cash basis—North Bergen, North Arlington, and Chester. As soon as differences can be adjusted with minority groups of creditors, two other municipalities, Asbury Park and Fort Lee, can likewise be refunded, leaving in the jurisdiction of the commission only six small places whose finances cannot presently be disentangled.

From present indications it should be entirely possible to have all municipalities in the state successfully on a full cash basis by 1944, the date set in the budget act, but such a happy result will require additions to the budget act to facilitate a steady approach, improvement in tax procedure, perhaps a reduction in the relative burden of real property taxation, and will certainly require the attentive consideration of all who are interested in stabilizing New Jersey municipal finance.

Editor's Note:—Address delivered before the Forty-third Annual Conference on Government of the National Municipal League, Rochester, New York, November 18, 1937.

The School Budget As Effective Publicity

Rochester's experience with the use of its school budget in the field of public relations suggests that the effort of any school district to experiment along the same lines would be well repaid

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THERE are probably few people who do not well know that the traditional uses of budgets are: for financial planning by taxpayers and legislative bodies; for the use of executive and administrative officers in planning and execution; for the analysis and control of income and expenditures; as a periodic check on the number and cost of personnel, and on expenditures other than for personal services; for the general information of the public; and finally, for what business calls euphemistically, public relations. It is the last two uses that will be dealt with here.

Shortly after the World War the schools in the larger cities of this country experienced, in general, a rapid growth in population unevenly distributed as to educational level and geographical location. The secondary schools grew more rapidly than the elementary, and the school population in the suburbs grew like flowers in the sun while that in the business areas withered away. No longer could the trusty old yardsticks of education be applied to the new problems, especially those of housing, transportation, and finance. Concurrently, American business was being operated in terms of engineering efficiency, industrial economy, motion study, point systems, and budgets.

About twenty-five years ago the Rochester schools set up an efficiency bureau. But it was not until the postwar period that the practices as well as the nomenclature of business were applied. The application has been rapid and thorough. The claim may safely be ventured that the better organized school system operates under closer and more scientific controls than the average business. For example, only recently have many members of the printing industry known their costs, a fact to which any purchasing department which bought printing could attest a half dozen years ago. The banks learned a great deal about operating costs in the spring and summer of 1933, and many of them then adopted operating budgets for the first time. During the boom period of the new era the schools not only prepared better budgets, but they installed systems of budgetary control that are effective and on a par with those in industry.

While the schools were growing in size, cost, and in the number of difficult problems demanding solution they were constantly under fire from organizations primarily interested in reducing the cost of local government. A study of these attacks made a dozen years ago disclosed the fact that the statements made by these organizations, by reputable newspapers, and by otherwise responsible individuals, were frequently founded on assumptions that were not borne out by actual conditions. It came to be the feeling of school administrators that if the details of the financial administration of the school system were made available to all thinking people in the community many of the attackers would be disarmed at the start.

Ten years ago the Rochester board of education reached a decision to place a copy of its estimated financial needs, or budget, for the ensuing year, i.e. 1928, in the hands of every interested taxpayer at the same time that it transmitted the budget to the city council for approval. At the time it was realized that for this public distribution of some sixty thousand copies no cut-and-dried financial statement without explanation could be used. A twelve-page letter-size pamphlet was prepared. In it current income and expenditures were analyzed for a ten-year period, and the growth of the school population in its several divisions was charted and tabulated for the same period. Then, it gave in detail, one type of expenditure to a page, the cost of administration, instruction, auxiliary agencies, operation, maintenance, fixed charges, capital outlay, and debt service, the so-called principal functions of education.

There was some discussion of important economic problems such as the "pay-as-you-go" policy. The cover bore this statement: "This includes both the current expense budget and the budget for building and sites for the calendar year of 1928. It is presented to the taxpayers of Rochester for suggestions and criticisms. At the same time it is being sent to the city council for approval. Questions concerning the budget will be gladly answered."

While this statement meant exactly what it said, it will not come as a surprise to an experienced school administrator that but few questions, and fewer suggestions, came from those who read it. On the other hand, it served a useful purpose in conveying to the people a real desire on the part of the board of education for intelligent public participation in the major problems of school administration.

The first seven of these newly devised budget pamphlets were similar in style even though somewhat larger and more attractive than the first one. Illustrations were introduced. It was the favorable comment on these illustrations and the request that the budget be made even more readable that led to the printing of an illustrated foreword two years ago. This introduction, written by the superintendent of schools, was entitled "What the public school is attempting to do for the children of the city." It was so well received that the next year the foreword was doubled in length, better illustrated, and became a story of "The School City." Again the only reaction from the public was favorable, and as a result this year we published a twenty-four-page, illustrated pamphlet of which the first ten pages are exclusively devoted to an illustration of the aims and objectives of the school system. Almost without knowing it Rochester had hit upon a piece of effective publicity, and it is believed publicity that is legitimate.

TEN YEARS' EXPERIENCE

We have come to this belief at the close of a decade of experimentation in an effort to raise our budget to maximum effectiveness. In the earlier years the intent was solely to supply the need for public information. In the later years the board of education has not been unaware of the value of the budget in the field of public relations. It is only recently, however, that we have become fully conscious that Rochester has pioneered in a new field and has produced a new medium of educational publicity.

That master publicist, Clyde Miller, said some years ago "Effective school publicity . . . is not a matter of occasional drives; it aims to promote complete all-year-round support and sympathy between the taxpayer and the school by the use of every legitimate means by which the school can tell its story." It is affirmed that the use of the budget as publicity meets the tests for legitimacy in every particular. It has been held that to be legitimate, school publicity must be inexpensive, simple, accurate, economically sound, and dignified; it must not bear the imprint of the press agent, or the hall mark of the propagandist. The illustrated budget pamphlet, we think, meets all of these tests.

It may well be argued that there are other and more effective forms of publicity. For example, one will instinctively cite "All the Children," the two recent annual reports of the superintendent of schools of the City of New York. These magnificent books, running one hundred and thirty-six pages in length, and in quality and appearance not unlike *Fortune,* are in a class by themselves. Then there are other annual reports that are attractive, effective, and not overly expensive, so why use the budget? And especially why use the budget when you know after examination of nearly five hundred of them that until recently not a single one had any sales appeal whatever? They varied from little strips of paper to large volumes bound in pin-seal leather. It must be confessed that the latter came from the environs of Hollywood. Why then attempt the infinitely more difficult project of utilizing for publicity a drab document forecasting something in the future, in preference to the customary annual report based on accomplishments when the latter already has shown all sorts of possibilities? The only answer is that it seems logical to work in the field of maximum criticism—the cost of public service.

In few cities are schools discredited, but in many communities the taxpayers hold that they are good but over-costly. Even in education we note the tendency to regard taxes as a punishment and not a bill for service rendered. This tendency needs some corrective. A properly drawn budget, attractively presented, may furnish this corrective by supplying ethical medication for the soothing of the public's pocketbook nerve. And in the endeavor to relate service to cost, it seems helpful to show simultaneously the accomplishments and accompanying costs of the schools. The tax bill speaks emphatically enough. It's only fair to have what it buys speak emphatically. Costs should never be divorced from service. That a number of the larger cities of the country have accepted this point of view and are now furnishing the parents of school children and others interested with attractive budgets indicates that this new type of publicity may have real merit in helping the taxpayer to feel that he receives value in return for his expenditures for public service.

REACHING THOSE INTERESTED

Because the cost of the budget has not been a factor it is easy to fail to mention how inexpensively the school story in this form can be placed before the thinking population. While scientists have held that only 3 to 4 per cent of the population in any age is willing to subject itself to the rigors of thinking, it is obvious that in a democracy there are many more than that number who take an active interest in public affairs, and who respond to public issues to the best of their ability. In following this line of reasoning it was first decided that the school budget should reach about 20 per cent of the population. The first edition was approximately sixty thousand copies. In successive years the number has been gradually reduced to a practically stationary level at something over thirty thousand copies, or a copy for one person in ten of the population. This number seems to meet the demand. It is my unsupported belief that in smaller communities with more intense interest in school affairs the percentage might have to be slightly higher,

(Continued on Page 589)

Comparative Tax Rates of 279 Cities, 1937

Increase in average tax rate evidence that real property is sharing the burden of increased cost of government. Last year's increase greatest in six years

ROSINA MOHAUPT

Detroit Bureau of Governmental Research

THE accompanying sixteenth annual compilation of the tax rates of 263 American and 16 Canadian cities with populations over 30,000 indicates practically no change in assessed valuations since the 1936 report, and an increase of 86 cents in the average adjusted tax rate. This is the third year in which the urban assessed values of the country have remained practically stationary. However, there is an apparent increase in the cost of government borne by real property as evidenced by the increase in the average tax rate, which increase this year is the greatest in any year since 1931-1932. The annual changes in assessments and average adjusted tax rates are shown in table I.

TABLE I

COMPARISON OF ASSESSED VALUES AND AVERAGE ADJUSTED TAX RATES OF ALL UNITED STATES CITIES REPORTING IN TWO SUCCESSIVE YEARS

Year	*Assessed Values Percent of Increase or Decrease*	*Average Adjusted Tax Rate Amount Increase or Decrease*
1936-37	— .3%	$+ .82
1935-36	+ .1	+ .61
1934-35	—1.8	— .19
1933-34	—6.4	+ .71
1932-33	—8.1	— .57
1931-32	—4.3	+ .85

From these figures it may be concluded that the absence of pronounced activity in the building industry and revival in the real estate market has prevented assessors from increasing values. As governmental costs advance without a corresponding increase in assessed values, new sources of revenue must be found or tax rates increased. An increase in the tax rate, however, does not always mean an increase in the tax burden on real estate, nor does it mean that the burden, if increased, is proportionately spread over all assessed property. Considerable effort has been made in some of the larger cities to increase personal property assessments during the past few years.

The form of presentation of this compilation of 279 cities is similar to that of prior years with the exception of the additional column for homestead exemption figures, and slight changes in some of the dates reported. The populations reported are the 1930 census figures. The next three columns show the total assessed valuations and the percentage of real and personal property represented. Canadian assessments include business and income assessments which are taxed at the same rates as realty. Not all provinces tax business and income in this manner.

The fifth, sixth, and seventh columns are self-explanatory. The eighth, the number of installments in which city taxes are payable, shows only the usual conditions. It is impossible to show in columnar form the varying tax collection dates for the county, township, school district, and other taxes or the number of installments utilized by these units. The notes must be depended upon to make clear extraordinary situations.

In the next five columns are shown the tax rates for all purposes—city, school, county, state, township, park, and a number of district rates—so that the total rate will represent the charge per $1,000 of assessed value for the services of all units of government. Where the legal basis of assessment is some figure other than 100 per cent of full value, the actual rates are adjusted to a uniform 100 per cent basis. This adjustment is indicated by the letter "A" after the total tax rate. Assessed values are not adjusted.

The next column shows the estimated ratios of assessed value to the true legal cash value. In certain states such as Illinois, New York, and California these estimated ratios are published by the state tax commissions, but in most instances they represent the opinion of the assessor. These ratios are applied to the total tax rate in an attempt to counteract, as far as possible, the lack of uniformity in assessing property at full value. The ratios, at best, are exactly what the heading of the column denotes—estimates—but they do in some measure compensate for differences in assessing practices.

It is difficult in many instances to confine tax data to the few categories set up in this tabulation: for example, where there are many overlapping taxing units in the same city; where different assessed values are used for various taxes; where numerous taxing units exist, the rates of which must arbitrarily be placed with the city, county, school or state tax rate; where a single tax rate is levied for all purposes and its distribution must be estimated; where a classified property tax is used, etc. In such cases, an attempt is made to show the situation as clearly as possible with the aid of footnotes.

The following table shows the range of both the total unadjusted and the adjusted tax rates. The adjusted tax rate is the most significant figure, although its significance varies with the accuracy of the estimated ratio of the assessed value to the legal basis. And it should also be remembered that even if the average ratio is correct, it does not necessarily hold for individual properties within a taxing unit.

Of the 279 cities tabulated, data for six were incomplete, and these cities are therefore not included in table II.

TABLE II

RANGE OF 1937 TAX RATES—273 CITIES

Population Group[1]	*City*	*Rate*	
I	*Unadjusted Rates*		
	Chicago	$ 95.20	High
	Philadelphia	26.25	Low
	Average	38.40	
	Adjusted Rates		
	Boston	38.70	High
	San Francisco	19.36	Low
	Average	28.39	
II	*Unadjusted Rates*		
	Portland, Ore.	55.00	High
	Washington, D. C.	17.50	Low
	Average	33.78	
	Adjusted Rates		
	Jersey City	44.24	High
	Cincinnati	15.10	Low
	Average	28.56	
III	*Unadjusted Rates*		
	San Diego	58.70	High
	Canton	17.10	Low
	Average	35.04	
	Adjusted Rates		
	Des Moines	44.02	High
	Oklahoma City	12.76	Low
	Average	26.67	
IV	*Unadjusted Rates*		
	Charleston, S. C.	102.00	High
	Wheeling	14.02	Low
	Average	36.86	
	Adjusted Rates		
	Atlantic City	49.92	High
	Wheeling	10.52	Low
	Average	25.39	
V	*Unadjusted Rates*		
	Joliet	67.90	High
	Steubenville	14.20	Low
	Average	37.35	
	Adjusted Rates		
	Clifton	44.57	High
	Steubenville	11.36	Low
	Average	25.77	

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[1] The United States Census groups cities according to population as shown in accompanying tabulation.

Canada	*Unadjusted Rates*		
	St. John	42.20	High
	Verdun	25.00	Low
	Average	34.54	
	Adjusted Rates		
	St. John	42.20	High
	Verdun	20.00	Low
	Average	33.77	

The range of the unadjusted tax rates for the 257 American cities is from $14.02 to $112.58, with an average of $36.49. These figures are an indication of the chaos that exists in the application of the general property tax in the forty-eight states. Attacks on the general property tax might well be directed against the administration of the tax which produces such weird figures. The adjusted figures eliminate some of the more bizarre extremes—ranging from $10.52 to $49.92 and averaging $26.14. But examining these figures, there is as much reason to doubt that cities can operate with a tax rate of about 1 per cent of the true cash value of general property as that taxpayers can afford to pay 5 per cent of the true value.

The average adjusted tax rate of $26.14 per $1000 of assessed value—a 2.6 per cent tax rate—probably reflects about average conditions now found in American cities. In other words, any peculiarities found in individual cities are self-correcting when the entire 257 cities are considered. It is probably safer to discuss the general property tax in terms of the conditions for the country as a whole, than for individual communities.

A comparison of the tax rates of cities reporting in both 1936 and 1937 will be found in table III.

The average unadjusted tax rates show marked increases for group I and group IV cities. The group I increase is confirmed by the even greater increase in the average adjusted tax rate, amounting to $1.88. Of the group I cities, Chicago shows an increase in unadjusted tax rate of $11.50; of the group IV cities, Atlantic City shows an increase of $16.75, Fresno of $7.49, and San Jose of $7.20. Most of these increases, however, are compensated by the adjusting factors such as the ratio of assessed to true value.

Comparison of the six-year trend from 1931 to 1937 of the 221 cities reporting in all of these years as shown in table IV, indicates that there has been an increase of 70 cents in the average unadjusted rate and $1.69 in the average adjusted tax rate.

Increases in average adjusted rates are even larger than the increases in the unadjusted rates. There has been a steady decline in the assessed values over this period of years but apparently the decline in assessments has not been as great as the decline in values over this same period for in many instances the ratios of assessed to true values have gone up. This accounts for the fact that the increases in the adjusted rates are larger than the increases in the unadjusted rates. The greatest increases in tax rates occur in the group I and II

TABLE III

COMPARISON OF 1937 AND 1936 AVERAGE UNADJUSTED AND ADJUSTED TAX RATES OF 241 CITIES

Population	*Average Unadjusted Rates*			*Average Adjusted Rates*		
Group	*1937*	*1936*	*Increase*	*1937*	*1936*	*Increase*
I	$38.40	$36.63	$ 1.77	$28.39	$26.51	$ 1.88
II	33.78	32.99	.79	28.56	27.84	.72
III	34.87	34.54	.33	26.54	26.52	.02
IV	36.80	35.64	1.16	25.51	25.33	.18
V	35.13	34.89	.24	25.93	24.12	1.81
U. S. Cities	35.66	35.02	.64	26.25	25.43	.82
Canada	34.54	34.18	.36	33.77	32.41	1.36
Total	35.59	34.96	.63	26.75	25.89	.86

Table IV

COMPARISON OF 1931 AND 1937 AVERAGE UNADJUSTED AND ADJUSTED TAX RATES FOR 221 CITIES

Population Group	*Average Unadjusted Rates* *1937*	*1931*	*Increase*	*Average Adjusted Rates* *1937*	*1931*	*Increase*
I	$38.40	$34.38	$ 4.02	$28.39	$23.36	$ 5.03
II	33.78	32.50	1.28	28.56	26.39	2.17
III	34.87	34.57	.30	26.54	24.80	1.74
IV	36.86	35.58	1.28	24.91	23.91	1.00
V	34.07	34.72	— .65	26.05	25.41	.64
U. S. Cities	35.35	34.77	.58	26.15	24.74	1.41
Canada	35.18	32.77	2.41	34.69	29.23	5.46
Total	35.34	34.64	.70	26.73	25.04	1.69

cities, that is, the larger cities in America.

The second factor to be considered in the general property tax is the assessed valuation. The assessed value for the country as a whole has remained remarkably stationary during the past year with few increases of significance. The total assessed value of the 241 cities reporting in 1936 and 1937 dropped from $66,203,000,000 in 1936 to $65,869,000,000 in 1937. These figures include the Canadian assessment of $3,263,000,000 in 1936 and $3,140,000,000 in 1937—a decrease of 4 per cent—see table V.

Table V

COMPARISON OF 1936 AND 1937 PER CAPITA ASSESSED VALUATIONS FOR 241 CITIES

Population Group	*1937*	*1936*	*Percent Increase or Decrease, 1936-37*
I	$1693	$1698	— .25
II	1471	1478	— .5
III	1168	1179	—1.0
IV	1301	1291	+ .7
V	1209	1215	— .5
U. S. Cities	1475	1480	— .3
Canada	1123	1167	—3.8
Total	1453	1461	— .5

The per capita assessed values confirm the relative stability of property assessments during the past year, but at the same time, reflect vagaries in assessment procedure. According to the 1930 census, the average urban family consists of about four persons (3.98). Accordingly, for each family in the group I cities there is a total assessed value of $6772 and for group V cities, $4836. These figures probably represent a fairly accurate estimate of the investment of families in homes in these communities. If so, the total assessed value takes no account of vacant, personal, manufacturing, and industrial property.

There has been a notable decrease in per capita assessed values since 1931, averaging about 20 per cent. The absence of any advance and indications of continued recessions, although slight in amount, indicate that new construction has not been on a large enough scale to make any change in assessed values. Of course, there is considerable doubt as to whether the 1931 assessed values reflected "true" values, or contained a large element of speculative value which has finally been eliminated. In these comparisons (table VI) the population figures of 1930 have been used. Were the actual populations of 1937 available

Table VI

COMPARISON OF 1931, 1936, AND 1937 PER CAPITA ASSESSED VALUATIONS FOR 221 CITIES

Population Group	*1937*	*1936*	*1931*	*Per Cent Decrease 1931-37*
I	$1693	$1698	$2153	21
II	1471	1478	1698	13
III	1168	1179	1480	21
IV	1291	1290	1579	18
V	1232	1241	1437	14
U. S. Cities	1480	1486	1848	20
Canada	1133	1179	1274	11
Total	1459	1467	1813	19

the decreases would be much more striking.

About the only safe conclusions which can be drawn from a study of these figures are that assessed values are remaining stationary or declining and that tax rates are increasing slightly to care for the additional costs of government.

HOMESTEAD EXEMPTION

This year, for the first time, the tabulation contains data on homestead exemptions which are becoming popular with legislative bodies. At present, there are 12 states with some type of homestead exemption, to which may be added Georgia, Utah, and North Carolina, where enabling acts are required to make the present exemptions effective. The table shows a very brief description of the type of exemption which is in effect in the various states. Of the 257 American cities in the tabulation, 33 are subject to homestead exemption in one form or another.

The form of the tabulation is the same as in previous years and no changes have been made that would affect the comparability of the figures in any way. The questionnaire was sent to the 310 American and 18 Canadian cities of population over 30,000 and also Honolulu. (See following pages for tabulations.)

SCHOOL BUDGET

(Continued from Page 584)

while in larger ones with fewer home owners and more apartment dwellers it could safely be somewhat lower. And in this regard were this popularizing of the budget to be carried into larger governmental agencies, such as the state or nation, the percentage could, of course, be drastically reduced.

So far as the unit cost is concerned, it has crept up from the original cost of two and one-quarter cents a copy to something over five cents a copy today. Interestingly enough, the cost of the budget has never been questioned.

Nor is the physical burden of budget preparation greater than the financial. Experience has shown that it is not necessary to go outside of the schools for talent. The photography can be done by amateurs among the faculty, and teachers can make the layouts, while other staff members coöperate in offering suggestions for the text. With well divided yet well organized effort there is no appreciable interference with the normal functions of the system.

Even though the use of the school budget in the field of public relations is as yet experimental, and its value has not been fully proved, experience so far suggests that the effort of any fair sized school district to experiment in the preparation and distribution of its annual budget would be well repaid. The idea might be carried a bit further to the point where it may be possible to find in a single, small, and attractive document the cost and character of the major activities carried on by a city, a county, or possibly even by a state.

Editor's Note.—Address before Forty-third Annual Conference on Government of National Municipal League at Rochester, New York, November 18, 1937.

COMPARATIVE TAX RATES OF 279 CITIES FOR 1937

Compiled by the Detroit Bureau of Governmental Research From Data Furnished by City Officials and Members of the Governmental Research Association

No.	City	Census 1930	Assessed Value	Per Cent Realty	Per Cent Personalty	City Fiscal Year Begins	Date City Taxes (or 1st installment) are Due	1st Date City Taxes are Subject to Penalty	No. of Installments in which City Taxes are Payable	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100 per cent Legal Basis of Assessment: City	School	County	State	Total	Estimated Ratio of Assessed Value to Legal Basis (Per Cent)	Adjusted Rate	Amount of Homestead Exemption	No.
	Group I																	
	Population 500,000 and over																	
1	New York, N. Y.[1]	6,930,466	$16,599,695,194	100	—	Jan. 1	Apr. 1	May 1	2	$22.00*	$ 4.85	$ .75	—	$27.60	92	$25.39		1
2	Chicago, Ill.[2]	3,376,438	1,956,928,663	70	30	Jan. 1	July 1	Aug. 1	2	54.20	33.80	7.20	N	95.20	37	35.22		2
3	Philadelphia, Pa.[3]	1,950,961	3,624,961,137	73	27	Jan. 1	Jan. 25	July 1	1	17.00	9.25	N	N	26.25	90	23.63		3
4	Detroit, Mich.[4]	1,568,662	2,402,256,430	76	24	July 1	July 31	Aug. 15	2	16.84	7.84	5.07	N	29.75	100	29.75		4
5	Los Angeles, Calif.[5]	1,238,048	1,279,106,060	74	26	July 1	Nov. 1	Dec. 5	2	15.80	17.00	20.00	N	52.80	50	26.40		5
6	Cleveland, Ohio[6]	900,429	1,168,927,138	89	11	Jan. 1	Feb. 15	Apr. 17	2	13.33	9.97	5.30	N	28.60	100	28.60		6
7	St. Louis, Mo.	821,960	1,037,730,119	91	9	Apr. 13	Sept. 15	Jan. 1	4	17.50	8.70	N	1.50	27.70	85	23.55		7
8	Baltimore, Md.[7]	804,874	1,874,821,239	57	43	Jan. 1	Jan. 1	Aug. 1	—	20.46	5.44*	N	2.23	28.13	100	28.13		8
9	Boston, Mass.	781,188	1,590,544,700	92	8	Jan. 1	July 1	Nov. 1	2	23.09	9.93	2.23	3.45	38.70	100	38.70		9
10	Pittsburgh, Pa.[8]	669,817	1,100,443,900	100	—	Jan. 1	Jan. 1	Apr. 1	12	15.51	11.25	8.25	N	35.01	80	28.01		10
11	San Francisco, Calif.[9]	634,394	823,064,067	87	13	July 1	Nov. 1	Dec. 6	2	31.89	6.82	N	N	38.71	50	19.36		11
12	Milwaukee, Wis.[10]	578,249	847,236,685	92	8	Jan. 1	Jan. 1	Feb. 1	1	14.53	11.42	7.19	.25	33.39	95	31.72		12
13	Buffalo, N. Y.	573,076	963,171,890	100	—	July 1	July 1	Aug. 1	2	22.86	7.20	7.04	.20	37.30	82	30.59		13
	Group II																	
	Population 300,000 to 500,000																	
14	Washington, D. C.[11]	486,869	1,251,330,921	94	6	July 1	Sept. 1	Oct. 1	4	17.50	—	N	N	17.50	90	15.75		14
15	Minneapolis, Minn.[12]	464,356	243,658,821	83	17	Jan. 1	Jan. 4	May 1	4	17.02	8.28	3.78	4.40	33.48A	100	33.48	4,000[12]	15
16	New Orleans, La.[13]	458,762	481,139,252	70	30	Jan. 1	Apr. 12	May 12	2	21.50	7.00	4.50	5.75	38.75	89	34.49	1,000[13]	16

*=Estimated. N=None.

A=Denotes adjustment to 100 per cent basis.

[1] **New York City.** Separation of the total tax rate of $27.60 is estimated on the basis of appropriations. Varying rates are levied on the five boroughs, the rate shown being for the borough of Manhattan. State rate is included in county rate.

[2] **Chicago.** The 1936 valuation and tax rates, payable late in 1937, are reported. The city rate includes sanitary district rate of $6.80, park district rate of $10.50, and poor relief tax of $3.00. County rate includes forest preserve district, 90 cents. There is no state tax in Illinois on general property.

[3] **Philadelphia.** The city rate includes cost of county government, which is consolidated with the city. The city rate shown is the rate on city realty (comprising about 95 per cent of all realty).

[4] **Detroit.** There is no state tax on real property in Michigan.

[5] **Los Angeles.** County rate includes metropolitan water district, $4.00, and flood control district, $1.90. Valuation excludes solvent credits and securities. There is no state tax on real estate in California.

[6] **Cleveland.** For all Ohio cities, realty assessment includes public utilities valuation. Tangible personalty (included in valuation reported) is taxed at same rate as realty, but for only a percentage of its value; intangible personalty (not included in valuation reported) is taxed on either income or valuation at classified rates. There is no state tax in Ohio on property.

[7] **Baltimore.** There is no county rate. There are four rates on real property—full, suburban, rural, and new annex; all rates at less than full rate are increasing to reach full rate in 1939. Intangible personalty, amounting to $674,205,170, is taxed the limited and classified fixed rates of 18¾ cents to $1.00 per $100. City rate includes provisions for schools, representing about 21 per cent of total city budget.

[8] **Pittsburgh.** The city rate upon improvements is one-half the full rate of $20.60 upon land, the weighted average rate being shown. Machinery is exempt.

[9] **San Francisco.** City is combined with county. Valuation reported excludes solvent credits of $168,055,866 taxable at 1 mill. Stocks and bonds are no longer taxable.

[10] **Milwaukee.** City rate includes metropolitan sewer district rate of $2.20.

[11] **Washington.** Congress appropriated $5,000,000 for the District of Columbia for 1937. Intangible property ($515,000,000 not included in assessment reported) is taxed at one-half of one per cent; banks, trust companies, and utilities are taxed at various rates upon earnings or receipts. City rate includes school rate.

[12] **Minneapolis, St. Paul, Duluth.** *Homestead exemption:* Minnesota statutes provide for five classes of property, assessed at varying bases of true value. Platted real estate is assessed at 40 per cent, except first $4000 of homesteads, at 25 per cent; unplatted real estate is assessed at 33 1/3 per cent, except first $4000 of homesteads, at 20 per cent; iron ore at 50 per cent; and personalty, in three classes at 10, 25, and 33 1/3 per cent, respectively. The average valuation for all classes for Minneapolis is 36 per cent, for St. Paul 38 per cent, and for Duluth 36 per cent; the rates shown are the actual rates adjusted to a uniform 100 per cent basis upon these percentages. The valuations shown are actual rather than adjusted to 100 per cent of true value.

[13] **New Orleans.** Rates shown are actual rates. City and school rates based on estimated 85 per cent assessment; county and state rates on 100 per cent. The ratio of assessed to true cash value, 89 per cent, is the resultant of these two bases. *Homestead exemption:* In Louisiana applies to state and parish taxes only except New Orleans (no other city) which may also exempt homesteads from city taxes. Maximum exemption is $2,000 of assessed value. In 1937 only $1,000 of assessed value was exempt.

No.	City	Census 1930	Assessed Value	Per Cent		City Fiscal Year Begins	Date City Taxes (or 1st installment) are Due	1st Date City Taxes are Subject to Penalty	No. of Installments in which City Taxes are Payable	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100 per cent Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (Per Cent)	Adjusted Rate	Amount of Homestead Exemption	No.
				Realty	Personalty					City	School	County	State	Total				
17	Cincinnati, Ohio	451,160	806,558,510	79	21	Jan. 1	Oct. 1	Dec. 20	10	9.46	5.59	3.83	N	18.88	80	15.10		17
18	Newark, N. J.[14]	442,337	961,938,274	74	26	Jan. 1	Feb. 1	Feb. 2	4	20.84	7.75	5.32	2.99	36.90	90	33.21		18
19	Kansas City, Mo.[15]	399,746	499,632,300	74	26	May 1	—	Oct. 1	1	15.00	14.30	7.92	1.65	38.87A	80	31.10		19
20	Seattle, Wash.[16]	365,583	250,449,590	77	23	Jan. 1	Feb. 3	June 1	2	10.29	7.50	6.74	1.79	26.32A	94	24.74		20
21	Indianapolis, Ind.[17]	364,161	501,665,590	74	26	Jan. 1	Jan. 1	May 4	2	13.20	10.70	4.40	1.50	29.80	85	25.33		21
22	Rochester, N. Y.[18]	328,132	619,717,093	97	3	Jan. 1	Jan. 1	Feb. 1	4	17.72	9.70	9.79	—	37.21	83	30.88		22
23	Jersey City, N. J.[14]	316,715	593,394,293	95	5	Jan. 1	Feb. 1	—	4	23.74	9.03	8.45	3.02	44.24	100	44.24		23
24	Louisville, Ky.[19]	307,745	413,517,489	73	27	Sept. 1	May 1	May 1	1	16.30	6.20	4.20	1.70	28.40	85	24.14		24
25	Portland, Ore.[20]	301,815	270,539,515	76	24	Dec. 1	Mar. 15	Mar. 16	4	21.79	13.60	13.90	5.71	55.00	55	30.25		25
	Group III Population 100,000 to 300,000																	
26	Houston, Texas[21]	292,352	287,000,000*	85	15	Jan. 1	Jan. 1	Dec. 31	—	20.00	12.00	10.20	4.90	47.10	50	23.55	3,000[21]	26
27	Toledo, Ohio	290,718	393,000,000*	92	8	Jan. 1	—	—	2	8.65	8.87	3.08	N	20.60	70	14.42		27
28	Columbus, Ohio	290,564	316,300,290	87	13	Jan. 1	Mar. 15	June 1	2	10.20	8.10	2.90	N	21.20	70	14.84		28
29	Denver, Colo.[22]	287,861	363,132,370	66	34	Jan. 1	Jan. 1	Mar. 1	2	17.30	15.10	N	3.00	35.40	80	28.32		29
30	Oakland, Calif.[23]	284,063	255,213,700	87	13	July 1	Nov. 1	Dec. 5	2	19.70	16.42	15.88	N	52.00	50	26.00		30
31	St. Paul, Minn.[12]	271,606	135,526,955	82	18	Jan. 1	May 31	June 1	2	6.52	15.01	9.17	5.02	35.72A	100	35.72	4,000[12]	31
32	Atlanta, Ga.[24]	270,366	349,784,773	70	30	Jan. 1	May 1	Oct. 15	3	11.90	5.10	10.00	5.00	32.00	61	19.52		32
33	Dallas, Texas[21]	260,475	270,533,550	73	17	Oct. 1	Oct. 1	May 1	2	15.52	9.08	7.50	6.20	38.30	52	19.92	3,000[21]	33
34	Birmingham, Ala.[25]	259,678	160,359,773	79	21	Sept. 1	Oct. 1	Jan. 1	—	6.90	3.90	6.90	3.90	21.60A	60	12.96	2,000[25]	34
35	Akron, Ohio[26]	255,040	266,600,000*	74	26	Jan. 1	Dec. 20	Feb. 20	2	12.90	11.64	2.76	N	27.30	50	13.65		35
36	Memphis, Tenn.	253,143	281,669,258	74	26	Jan. 1	May 1	Sept. 1	4	14.80	6.50	8.80	.80	30.90	85	26.27		36
37	Providence, R. I.[27]	252,981	490,781,120	83	17	Oct. 1	Oct. 1	Oct. 24	4	14.73	9.77*	N	N	24.50	100	24.50		37
38	San Antonio, Texas[28]	231,542	208,753,680	78	22	June 1	Apr. 1	June 1	5	14.50	10.00	6.70	6.20	37.40	63	23.56	3,000[21]	38
39	Omaha, Neb.[29]	214,006	244,571,710	76	24	Jan. 1	Jan. 1	Mar. 1	2	15.50	14.00	5.26	2.64	37.40	70	26.18		39
40	Syracuse, N. Y.	209,326	375,397,867	100	—	Jan. 1	May 1	June 1	2	18.64	8.73	5.78	.20	33.35	90	30.02		40
—	Honolulu, Hawaii	202,923	107,420,834	72	28	Jan. 1	—	—	2	31.01	—	—	N	31.01	73	22.64		—
41	Dayton, Ohio	200,982	280,000,000*	90	10	Jan. 1	Dec. 20	Sept. 10	2	9.93	5.98	4.09	N	20.00	100	20.00		41

[14] **Newark.** In New Jersey cities the state rate includes a school tax (**Jersey City**, $2.82; **Bayonne**, $2.79; **Atlantic City**, $3.41; **Kearny**, $3.23; **Bloomfield**, $2.63; **New Brunswick**, $2.80; **Plainfield**, $2.40) which is returned to local school units. In Bayonne and Kearny city rate includes remainder of school rate.

[15] **Kansas City, Mo.** The valuation reported is for city purposes; this valuation is approximately 10 per cent less than that for school, county, and state purposes; these three rates are adjusted to a uniform 100 per cent basis upon the valuation reported.

[16] **Seattle.** The legal basis of assessment in Washington is 50 per cent; the rates reported are adjusted to a uniform 100 per cent basis. The county rate includes port, 25 cents (adjusted from 50 cents levied).

[17] **Indianapolis.** City rate includes $1.80 township rate.

[18] **Rochester.** State rate included in county rate.

[19] **Louisville, Covington.** State rate is average rate. Actual rate is 50 cents per $1000 on real estate and $5.00 per $1000 on personal and intangible property.

[20] **Portland.** City rate includes port, $1.40. State rate includes school rate of $2.41 which is returned to the school districts of the county.

[21] **Houston.** County rate includes navigation district, $2.42. *Homestead exemption:* Exemption of first $3000 of assessed value, state tax only.

[22] **Denver.** City rate includes cost of county government, which is consolidated with city.

[23] **Oakland.** County rate includes East Bay Water District, $2.50, and East Bay Park District, $.50.

[24] **Atlanta.** Rates shown are actual rates. City and school rates based on 70 per cent assessment; county and state rates on 50 per cent. The ratio of assessed to true cash value is the resultant of these two bases. *Homestead exemption:* Authorized but not yet effective.

[25] **Birmingham, Mobile.** The legal basis of assessment in Alabama is 60 per cent of true value. The rates shown are the actual rates adjusted to a uniform 100 per cent basis. *Homestead exemption:* Exemption is from state taxes only and to the amount of $2,000 of the assessed value.

[26] **Akron.** City rate includes Metropolitan Park Board rate of 12 cents.

[27] **Providence.** There is no county government in Rhode Island. Intangible personalty (not included in valuation reported) is taxed at $4.00 per $1000.

[28] **San Antonio.** Rates shown are actual rates. City and school rates are based on 75 per cent assessment and county and state rates on 40 per cent. Ratio of assessed to true cash value is resultant of these two bases. See note 21 re homestead exemption.

[29] **Omaha.** City rate includes unemployment relief rate of $1.00.

No.	City	Census 1930	Assessed Value	Per Cent		City Fiscal Year Begins	Date City Taxes (or 1st installment) are Due	1st Date City Taxes are Subject to Penalty	No. of Installments in which City Taxes are Payable	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100 per cent Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (Per Cent)	Adjusted Rate	Amount of Homestead Exemption	No.
				Realty	Personalty					City	School	County	State	Total				
42	Worcester, Mass.	195,311	272,106,300	94	6	Jan. 1	July 1	Nov. 1	2	24.24	10.27	1.31	1.38	37.20	100	37.20		42
43	Oklahoma City, Okla.[30]	185,389	103,179,169	92	8	July 1	Oct. 1	Nov. 1	4	11.89	19.71	10.93	N	42.53	30	12.76	1,000[30]	43
44	Richmond, Va.[31]	182,929	253,448,067	93	7	Feb. 1	June 15	July 1	2	14.50	7.50	N	N	22.00	87	19.14		44
45	Youngstown, Ohio[32]	170,002	262,044,967	79	21	Jan. 1	—	Dec. 20	10	7.81	7.82	2.37	N	18.00	75	13.50		45
46	Grand Rapids, Mich.	168,592	189,057,435	81	19	Apr. 1	July 1	Aug. 1	6	10.80	8.50	2.30	N	21.60	100	21.60		46
47	Hartford, Conn.[33]	164,072	357,528,246	88	12	Apr. 1	Apr. 1	May 2	4	12.45	12.30	.59	1.36	26.70	100	26.70		47
48	Fort Worth, Texas[34]	163,447	162,380,793	78	22	Oct. 1	Oct. 1	Dec. 1	2	21.10	11.00	9.00	6.20	47.30	55	26.02	3,000[21]	48
49	New Haven, Conn.	162,655	308,411,018	100	—	Jan. 1	Jan. 1	Feb. 1	2	15.31	10.90	.51	.78	27.50	100	27.50		49
50	Flint, Mich.	156,492	181,032,760	83	17	July 1	July 1	Aug. 1	3	11.90	10.24	3.15	N	25.29	100	25.29		50
51	Nashville, Tenn.	153,866	160,547,636	71	29	Jan. 1	Aug. 1	Oct. 1	2	18.48	3.52*	7.50	.80	30.30	75	22.73		51
52	Springfield, Mass.	149,900	272,492,880	93	7	Jan. 1	July 1	Nov. 2	2	19.54	9.42	1.63	1.81	32.40	100	32.40		52
53	San Diego, Calif.	147,995	140,005,780	85	15	July 1	Nov. 1	Dec. 5	2	21.30	15.90	19.50	N	58.70	50	29.35		53
54	Bridgeport, Conn.	146,716	236,245,385	82	18	Apr. 1	Apr. 1	May 1	2	21.66	5.72	.25	.97	28.60	100	28.60		54
55	Scranton, Pa.[35]	143,433	107,192,963	100	—	Jan. 1	Jan. 1	Apr. 1	4	16.05	19.00	11.00	N	46.05	70	32.24		55
56	Des Moines, Ia.[36]	142,559	135,129,598	84	16	Apr. 1	Jan. 1	Apr. 1	2	20.06	21.41	10.11	3.45	55.03	80	44.02	2,500[36]	56
57	Long Beach, Calif.[37]	142,032	194,669,580	90	10	July 1	Nov. 1	Dec. 5	2	15.00	15.90	18.40	N	49.30	55	27.11		57
58	Tulsa, Okla.[30]	141,258	105,105,978	83	17	July 1	Oct. 1	Nov. 1	4	20.86	25.39	9.05	N	55.30	60	33.18	1,000[30]	58
59	Salt Lake City, Utah[38]	140,267	130,909,957	72	28	Jan. 1	Nov. 30	Dec. 20	1	15.00	13.75	6.63	5.63	41.01	70	28.71		59
60	Paterson, N. J.	138,513	173,513,751	91	9	Jan. 1	Feb. 1	Feb. 11	4	20.40	13.80	7.40	3.10	44.70	75	33.53		60
61	Yonkers, N. Y.	134,646	314,895,650	100	—	Jan. 1	Mar. 1	Mar. 1	4	18.80	10.57	4.65	.17	34.19	90	30.77		61
62	Norfolk, Va.[40]	129,710	150,647,235	88	12	Jan. 1	Mar. 15	Apr. 1	4	25.00	—	N	N	25.00	75	18.75		62
63	Jacksonville, Fla.[39]	129,549	84,799,140	74	26	Jan. 1	Jan. 1	June 1	—	17.00	11.00	24.88	3.80	56.68	50	28.34	5,000[39]	63
64	Albany, N. Y.[40]	127,413	233,027,890	97	3	Jan. 1	Jan. 1	Apr. 1	1	27.09	—	5.59	.20	32.88	74	24.33		64
65	Trenton, N. J.	123,356	161,434,023	88	12	Jan. 1	Feb. 1	Feb. 1	4	19.95	9.33	7.31	3.01	39.60	80	31.68		65
66	Kansas City, Kans.	121,857	88,392,031	75	25	Jan. 1	Nov. 1	Dec. 21	2	17.99	16.20	12.94	2.47	49.60	49	24.30		66
67	Chattanooga, Tenn.	119,798	110,529,727	92	8	Oct. 1	Oct. 1	Mar. 1	—	14.80	5.20*	16.60	.80	37.40	100	37.40		67
68	Camden, N. J.	118,700	146,975,099	82	18	Jan. 1	Feb. 1	Feb. 2	4	20.54	11.48	8.01	2.97	43.00	80	34.40		68
69	Erie, Pa.	115,967	126,276,460	100	—	Jan. 4	Jan. 4	July 1	—	11.00	13.50	7.50	N	32.00	80	25.60		69

[30] **Oklahoma City.** There is no state tax in Oklahoma on property. *Homestead exemption:* Exemption of $1000 of assessed value applies to state and all local units of government. Obligations incurred prior to this act not affected.

[31] **Richmond.** The cities of Virginia are autonomous, having no county government. There is no state tax in Virginia on property subject to local taxation. The rates given are levied on realty and tangible personalty; machinery, assessed at $11,123,530 (not included in valuation reported) is taxed $6.00 per $1000 for city and school purposes.

[32] **Youngstown.** City rate includes Mahoning Valley Sanitary District rate of $2.26 and township road rate of 12 cents.

[33] **Hartford.** City rate includes metropolitan district rate of 76 cents.

[34] **Fort Worth.** City rate includes water conservation rate of $3.60. See note 21 re homestead exemption.

[35] **Scranton.** The city rate upon improvements is one-half of the full rate, $22.22, on land, the weighted average being shown. County rate includes poor district rate of $5.50.

[36] **Des Moines.** Money and credits, $32,046,919 (not included in valuation reported), are taxed at 6 mills. *Homestead exemption:* Amount of homestead exemption is determined by the Board of Assessment and Review each year. The maximum exemption allowed is 25 mills on the first $2500 of assessed value or $62.50. This applies to the state and all local units of government.

[37] **Long Beach, Sacramento, Berkeley, Pasadena, Alameda, Santa Barbara.** Rates shown are actual rates. County assessments for county and school taxes are uniformly on a 50 per cent basis throughout California. The following cities base their rates on assessments other than the 50 per cent county values: Long Beach, 67 per cent; Sacramento, 63 per cent; Berkeley, 63 per cent; Pasadena, 75 per cent; Alameda, 60 per cent; Santa Barbara, 60 per cent. The ratios of assessed to true value in these cities are the resultants of the two bases. Long Beach county rate includes flood control tax of $2.00 and metropolitan water district tax of $3.70.

[38] **Salt Lake City, Ogden.** County rate includes metropolitan water district rate of 93 cents and Salt Lake mosquito abatement rate of 10 cents. *Homestead exemption:* Authorized but not effective.

[39] **Jacksonville.** State rate includes inland navigation rate of $1.00 and ship canal rate of 30 cents. *Homestead exemption:* The first $5000 of assessed value of homesteads is exempt from state and all local taxes except for debt service on obligations incurred prior to the passage of the amendment. $12,848,620 of assessed value reported is taxed only $7.00 per $1000 for debt service.

[40] **Norfolk, Albany, Lowell, Manchester, Roanoke, Waco, Pittsfield, Portsmouth (Va.), Chicopee.** School rate is included in city rate.

No.	City	Census 1930	Assessed Value	Per Cent		City Fiscal Year Begins	Date City Taxes (or 1st installment) are Due	1st Date City Taxes are Subject to Penalty	No. of Installments in which City Taxes are Payable	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100 per cent Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (Per Cent)	Adjusted Rate	Amount of Homestead Exemption	No.
				Realty	Personalty					City	School	County	State	Total				
70	Spokane, Wash.[41]	115,514	70,941,977	78	22	Jan. 1	May 31	June 1	2	9.00	5.25	6.75	1.70	22.70A	94	21.34		70
71	Fall River, Mass.[42]	115,274	92,263,750	90	10	Jan. 1	July 1	—	10	—	—	—	—	39.90	100	39.90		71
72	Fort Wayne, Ind.	114,946	148,500,000	75	25	Jan. 1	—	May 3	2	8.30	8.90	3.70	1.50	22.40	70	15.68		72
73	Elizabeth, N. J.	114,589	139,675,008	91	9	Jan. 1	—	Feb. 2	4	17.83	11.01	5.96	2.60	37.40	100	37.40		73
74	Cambridge, Mass.	113,643	Not reporting															74
75	New Bedford, Mass.	112,597	104,604,400	88	12	Jan. 1	Oct. 1	Nov. 2	10	28.55	9.67	1.15	1.43	40.80	100	40.80		75
76	Reading, Pa.[43]	111,171	144,814,450	100	—	Jan. 4	Mar. 1	July 1	1	11.00	14.00	5.25A	N	30.25A	100	30.25		76
77	Wichita, Kans.[44]	111,110	117,652,896	84	16	Jan. 1	Nov. 1	Dec. 20	2	10.90	17.20	7.48	1.82	37.40	65	24.31		77
78	Miami, Fla.	110,637	Not reporting															78
79	Tacoma, Wash.[45]	106,817	49,520,762	76	24	Jan. 1	Feb. 1	July 1	2	12.87	6.50	7.65	2.00	29.02A	94	27.28		79
80	Wilmington, Del.[46]	106,597	152,767,025	100	—	July 1	July 1	Sept. 1	—	14.50	1.50	3.50	N	19.50	80	15.60		80
81	Knoxville, Tenn.	105,802	132,694,201	73	27	Jan. 1	May 1	July 1	—	20.42	6.08	12.90	.80	40.20	80	32.16		81
82	Peoria, Ill.[47]	104,969	78,335,065	71	29	Jan. 1	Feb. 1	June 1	2	25.20	17.50	3.10	N	45.80	50	22.90		82
83	Canton, Ohio[48]	104,906	130,540,742	79	21	Jan. 1	June 1	June 20	2	5.20	9.20	2.70	N	17.10	75	12.83		83
84	South Bend, Ind.	104,193	131,389,220	75	25	Jan. 1	May 2	May 3	2	7.35	10.40	6.35	1.50	25.60	80	20.48		84
85	Somerville, Mass.	103,908	Not reporting															85
86	El Paso, Texas[21]	102,421	77,032,840	78	22	Mar. 1	Dec. 1	Feb. 28	2	12.50	10.00	8.70	6.20	37.40	70	26.18	3,000[21]	86
87	Lynn, Mass.	102,320	131,966,570	91	9	Jan. 1	July 1	Nov. 1	2	19.07	10.01	1.47	2.45	33.00	100	33.00		87
88	Evansville, Ind.	102,249	115,510,780	80	20	Jan. 1	May 3	—	2	9.70	9.30	9.50	1.50	30.00	100	30.00		88
89	Utica, N. Y.	101,740	130,987,806	100	—	Jan. 1	June 1	July 1	2	24.40	9.15	9.12	.19	42.86	75	32.15		89
90	Duluth, Minn.[12]	101,463	53,587,440	80	20	Jan. 1	Jan. 4	June 1	4	14.28	13.06	6.86	4.42	38.62A	100	38.62	4,000[12]	90
91	Tampa, Fla.	101,161	Not reporting															91
92	Gary, Ind.	100,426	Not reporting															92
93	Lowell, Mass.[40]	100,234	98,214,550	93	7	Jan. 1	Oct. 1	Nov. 1	2	38.96	—	1.70	2.14	42.80	100	42.80		93
	Group IV **Population 50,000 to 100,000**																	
94	Waterbury, Conn.	99,902	164,834,318	80	20	Jan. 1	May 1	June 1	2	18.94	11.28	.54	.74	31.50	80	25.20		94
95	Schenectady, N. Y.	95,692	153,855,790	100	—	Jan. 1	Jan. 2	Jan. 17	4	16.92	10.37	6.27	.40	33.96	85	28.87		95
96	Sacramento, Calif.[37]	93,750	113,344,350	87	13	Jan. 1	Nov. 1	Dec. 5	2	18.10	16.48	11.92	N	46.50	55	25.58		96
97	Allentown, Pa.	92,563	102,715,340	100	—	Jan. 4	Mar. 1	July 1	4	12.40	15.00	7.00	N	34.40	75	25.80		97
98	Bayonne, N. J.[14]	88,979	145,746,715	84	16	Jan. 1	Feb. 1	Feb. 2	4	33.74	—	8.35	2.98	45.07	100	45.07		98
99	Wilkes-Barre, Pa.	86,628	89,973,397	94	6	Jan. 4	Apr. 1	July 1	5	13.00	16.50	11.40	N	40.90	60	24.54		99
100	Rockford, Ill.[49]	85,864	52,805,039	74	26	Jan. 1	Apr. 1	June 1	2	24.68	20.22	5.00	N	49.90	40	19.96		100
101	Lawrence, Mass.	85,068	89,284,975	92	8	Jan. 1	July 1	Nov. 1	2	20.25	12.79	1.67	2.09	36.80	90	33.12		101
102	Savannah, Ga.[24]	85,024	60,395,102	79	21	Jan. 1	Feb. 1	Jan. 1	4	23.00	10.00	12.50	5.00	50.50	50	25.25		102
103	Charlotte, N. C.	82,675	Not reporting															103
104	Berkeley, Calif.[37]	82,108	86,247,995	95	5	July 1	Nov. 2	Dec. 5	2	14.20	17.72	15.88	N	47.80	54	25.81		104
105	Altoona, Pa.[50]	82,054	74,926,545	100	—	Jan. 4	Mar. 1	July 1	—	10.00	14.50	6.65A	N	31.15A	80	24.92		105

[41] **Spokane, Bellingham, Everett.** See note 16 re legal basis of assessment and adjusted rates reported.

[42] **Fall River, Pawtucket, Newton, Medford, Woonsocket, Stamford, Cranston, Arlington, Norwalk, Revere.** Single rate for city, school, county, and state.

[43] **Reading.** County rate is adjusted to reflect separate county assessment which is approximately 75 per cent of city assessment.

[44] **Wichita.** Money and credits, $23,149,639 (not included in valuation shown) are taxed at 5 mills.

[45] **Tacoma.** See note 16 re legal basis of assessment and adjusted rates shown. City rate includes park rate, $1.00 (adjusted from $2.00) and county rate includes port rate, $1.00 (adjusted from $2.00).

[46] **Wilmington.** There is no state tax in Delaware on property.

[47] **Peoria.** City rate includes park district, $2.10; sanitary district, $4.00; and town, $3.00.

[48] **Canton.** City rate includes township rate of 20 cents.

[49] **Rockford.** City rate includes sanitary sewer district, $5.10; road and bridge, $2.50; pauper relief, $3.00; firemen's pension, 20 cents; police pension, 15 cents; public parks, $1.50.

[50] **Altoona.** County rate is adjusted to uniform 100 per cent basis. Actual rate is based on a county assessment which is about 70 per cent of the city assessment.

No.	City	Census 1930	Assessed Value	Per Cent		City Fiscal Year Begins	Date City Taxes (or 1st installment) are Due	1st Date City Taxes are Subject to Penalty	No. of Installments in which City Taxes are Payable	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100 per cent Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (Per Cent)	Adjusted Rate	Amount of Homestead Exemption	No.
				Realty	Personalty					City	School	County	State	Total				
106	Little Rock, Ark.	81,679	Not reporting															106
107	St. Joseph, Mo.	80,935	65,004,320	73	27	Apr. 5	May 5	Sept. 1	1	14.00	12.25	7.25	1.50	35.00	70	24.50		107
108	Saginaw, Mich.	80,715	96,397,697	84	16	July 1	July 1	Aug. 1	8	10.65	6.48	3.62*	N	20.75	100	20.75		108
109	Harrisburg, Pa.	80,339	90,736,255	—	—	Jan. 4	May 1	July 1	3	13.00	15.50	6.00	N	34.50	55	18.98		109
110	Sioux City, Ia.[36]	79,183	86,398,022	79	21	Jan. 1	Jan. 1	Apr. 1	2	13.27	19.22	8.98	2.70	44.17	60	26.50	2,500[36]	110
111	Lansing, Mich.	78,397	111,540,031	82	18	May 1	July 19	—	2	13.70	6.50	2.90	N	23.10	80	18.48		111
112	Pawtucket, R. I.[42]	77,149	146,032,400	74	26	Jan. 1	Oct. 1	Oct. 16	4	21.00	—	—	—	21.00	100	21.00		112
113	Manchester, N. H.[40]	76,834	85,165,879	82	18	Jan. 1	Sept. 1	Dec. 1	—	29.28	—	5.84	3.38	38.50	100	38.50		113
114	Binghamton, N. Y.	76,662	104,208,265	97	3	Jan. 1	Jan. 1	Feb. 1	2	20.91	11.42	6.43	—	38.76	80	31.01		114
115	Shreveport, La.[18]	76,655	83,545,160	73	27	Jan. 1	Nov. 1	Jan. 1	1	14.25	7.50	2.25	5.75	29.75	67	19.93	1,000[18]	115
116	Pasadena, Calif.[51]	76,086	129,015,000	89	11	July 1	Oct. 11	Feb. 5	1	11.90	17.90	19.00	N	48.80	56	27.33		116
117	Lincoln, Neb.	75,933	96,873,825	77	23	Sept. 1	Oct. 1	Dec. 1	2	9.80	15.00	3.50	2.64	30.94	80	24.75		117
118	Huntington, W. Va.[53]	75,572	103,728,045	—	—	July 1	Oct. 11	Dec. 1	2	8.67	—	—	—	—	80		note[53]	118
119	Niagara Falls, N. Y.	75,460	148,360,989	100	—	Jan. 1	Nov. 1	Dec. 1	2	16.60	9.99	4.46	—	31.05	76	23.60		119
120	Winston-Salem, N. C.[54]	75,274	98,997,779	95	5	July 1	Nov. 1	Mar. 3	1	11.27	2.73	5.50	N	19.50	66	12.87		120
121	East St. Louis, Ill.	74,347	49,995,648	68	32	Jan. 1	May 1	June 1	2	27.90	24.00	5.70	N	57.60	40	23.04		121
122	Troy, N. Y.	72,763	74,071,817	96	4	Jan. 1	Jan. 1	Feb. 1	2	24.31	9.65	12.58	—	46.54	80	37.23		122
123	Quincy, Mass.	71,983	122,690,575	92	8	Jan. 1	July 1	Nov. 1	2	23.60*	7.70*	.70*	1.40*	33.40	100	33.40		123
124	Springfield, Ill.	71,864	49,343,337	81	19	Mar. 1	Jan. 1	June 1	2	20.05	17.00	9.30	N	46.35	50	23.18		124
125	Portland, Me.	70,810	Not reporting															125
126	Lakewood, Ohio	70,509	93,927,340	91	9	Jan. 1	Dec. 20	Jan. 20	2	7.86	12.04	5.30	N	25.20	75	18.90		126
127	Roanoke, Va.[40]	69,206	61,606,640	77	23	July 1	Mar. 31	July 1	4	25.00	—	N	N	25.00	56	14.00		127
128	Springfield, Ohio	68,743	Not reporting															128
129	Mobile, Ala.[52]	68,202	41,041,744	76	24	Oct. 1	Dec. 1	Jan. 1	1	4.50	—	12.90	3.90	21.30A	100	21.30	2,000[25]	129
130	New Britain, Conn.	68,128	102,039,867	84	16	Apr. 1	May 15	June 16	1	13.84	11.47	.46	1.23	27.00	100	27.00		130
131	East Orange, N. J.	68,020	116,480,632	93	7	Jan. 1	Feb. 1	Feb. 1	4	15.64	8.58	4.98	2.80	32.00	100	32.00		131
132	Racine, Wis.	67,542	104,595,456	91	9	Jan. 1	Jan. 1	Feb. 1	1	6.00	11.37	6.47	.11	23.95	90	21.56		132
133	Johnstown, Pa.	66,993	77,315,230	93	7	Jan. 4	Mar. 1	July 1	1	12.50	15.00	8.00	N	35.50	65	23.08		133
134	Cicero, Ill.	66,602	Not reporting															134
135	Atlantic City, N. J.[14]	66,198	98,545,926	91	9	Jan. 1	Feb. 1	Feb. 1	4	29.44	8.83	8.00	3.65	49.92	100	49.92		135
136	Montgomery, Ala.	66,079	Not reporting															136
137	Newton, Mass.[42]	65,276	167,101,150	91	9	Jan. 1	July 1	Nov. 1	10	—	—	—	—	28.40	100	28.40		137
138	Covington, Ky.[19]	65,252	56,133,255	77	23	Jan. 1	June 1	July 1	2	12.90	11.40	6.00	1.55	31.85	70	22.30		138
139	Pontiac, Mich.	64,928	61,132,274	72	18	Jan. 1	July 1	Aug. 1	1	10.72	9.76	4.82	N	25.30	100	25.30		139
140	Hammond, Ind.	64,560	86,785,135	65	35	Jan. 1	May 3	May 3	2	10.20	12.70	8.00	1.50	32.40	60	19.44		140
141	Topeka, Kans.	64,120	82,624,733	60	40	Jan. 1	Nov. 1	Dec. 20	2	15.48	18.23	5.40	2.02	41.13	60	24.68		141
142	Oak Park, Ill.	63,982	40,020,054	92	8	Jan. 1	July 15	Sept. 1	2	24.80	34.20	9.30	N	68.30	37	25.27		142
143	Brockton, Mass.	63,797	Not reporting															143
144	Evanston, Ill.	63,338	50,559,609	79	21	Jan. 1	July 1	Aug. 1	2	24.45	36.20	6.30	N	66.95	37	24.77		144
145	Passaic, N. J.	62,959	Not reporting															145
146	Terre Haute, Ind.	62,810	Not reporting															146
147	Glendale, Calif.	62,736	52,310,503	—	—	July 1	Nov. 1	Dec. 5	2	13.20	19.90	14.70	N	47.80	50	23.90		147
148	Charleston, S. C.	62,265	16,495,447	69	31	Jan. 1	Jan. 1	Oct. 16	—	62.00	24.50	10.00	5.50	102.00	25	25.50		148

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[51] **Pasadena.** See note 37 for adjustment of rates. County rate includes flood control district, $1.90 and metropolitan water district, $3.00.

[52] **Mobile.** See note 25 re adjusted rates. School tax rate is included in state and county rates.

[53] **Huntington, Wheeling.** *Homestead exemption:* In West Virginia homestead property may be taxed at not more than 1 per cent of assessed value, non-homestead may not be taxed more than 1½ per cent if without, or 2 per cent if within a municipality. This applies to the state and all local governments.

[54] **Winston-Salem, Greensboro, Durham, Asheville, High Point.** *Homestead exemption:* Authorized but not effective.

No.	City	Census 1930	Assessed Value	Per Cent		City Fiscal Year Begins	Date City Taxes (or 1st installment) are Due	1st Date City Taxes are Subject to Penalty	No. of Installments in which City Taxes are Payable	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100 per cent Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (Per Cent)	Adjusted Rate	Amount of Homestead Exemption	No.
				Realty	Personalty					City	School	County	State	Total				
149	Wheeling, W. Va.[53]	61,659	117,749,600	59	41	July 1	Oct. 1	Dec. 1	2	5.60	4.65	3.12	.65	14.02	75	10.52	Note[53]	149
150	Mount Vernon, N. Y.	61,499	151,899,000	100	—	Jan. 1	Jan. 1	Feb. 1	2	14.78	12.14	6.59	.19	33.70	80	26.96		150
151	Davenport, Ia.[36]	60,751	54,801,443	92	8	Apr. 1	Sept. 1	Oct. 1	1	14.50	16.77	8.74	3.45	43.46	60	26.08	2,500[36]	151
152	Charleston, W. Va.	60,408	Not reporting															152
153	Augusta, Ga.	60,342	Not reporting															153
154	Lancaster, Pa.	59,949	Not reporting															154
155	Medford, Mass.[42]	59,714	79,394,500	96	4	Jan. 1	Oct. 1	Nov. 1	—	—	—	—	—	37.60	100	37.60		155
156	Hoboken, N. J.	59,261	Not reporting															156
157	Chester, Pa.	59,164	54,703,743	100	—	Jan. 4	Mar. 1	July 1	—	11.50	13.00	5.75	N	30.25	90	27.23		157
158	Union City, N. J.	58,659	66,518.862	95	5	Jan. 1	Feb. 1	Feb. 10	4	28.02	10.54	8.24	2.93	49.73	100	49.73		158
159	Malden, Mass.	58,036	Not reporting															159
160	Madison, Wis.	57,899	120,930,010	92	8	Jan. 1	Jan. 1	Mar. 1	7	6.66	12.53	7.20	.11	26.50	95	25.18		160
161	Bethlehem, Pa.	57,892	Not reporting															161
162	Beaumont, Texas[21]	57,732	56,500,000*	85	15	July 1	Oct. 1	Feb. 1	1	16.80	7.40	11.30	6.20	41.70	80	33.36	3,000[21]	162
163	San Jose, Calif.	57,651	54,949,245	100	—	Dec. 1	Nov. 1	Dec. 5	2	13.80	18.29	15.43	N	47.52	50	23.76		163
164	Springfield, Mo.	57,527	37,721,905	75	25	Jan. 1	Sept. 1	Jan. 1	1	17.00	15.40	6.00	1.50	39.90	70	27.93		164
165	Decatur, Ill.	57,510	31,648,531	81	19	May 1	May 1	June 1	2	22.50	24.00	7.90	N	54.40	50	27.20		165
166	Irvington, N. J.	56,733	Not reporting															166
167	Holyoke, Mass.	56,537	Not reporting															167
168	Hamtramck, Mich.	56,268	73,546,201	67	33	July 1	July 15	Aug. 1	2	19.20	11.00	5.04	N	35.24	77	27.13		168
169	Cedar Rapids, Ia.[36]	56,097	52,702,537	88	12	Apr. 1	Jan. 1	Apr. 1	2	15.03	19.29	9.06	3.45	46.83	50	23.42	2,500[36]	169
170	York, Pa.	55,254	48,750,000	100	—	Jan. 4	Mar. 1	July 1	1	9.50	18.00	8.00	N	35.50	60	21.30		170
171	Jackson, Mich.	55,187	67,213,920	88	12	July 1	July 1	July 21	5	9.56	9.30	4.00	N	22.86	90	20.57		171
172	Kalamazoo, Mich.	54,786	71,078,935	76	24	Jan. 1	July 1	Aug. 1	12	10.72	10.55	3.50	N	24.77	80	19.82		172
173	East Chicago, Ind.	54,784	Not reporting															173
174	McKeesport, Pa.	54,632	54,815,275	100	—	Jan. 4	Mar. 1	July 1	—	11.00	15.00	10.50	N	36.50	60	21.90		174
175	New Rochelle, N. Y.	54,000	197,357,498	97	3	Jan. 1	Jan. 1	Feb. 1	4	13.90	9.90	5.60	—	29.40	86	25.28		175
176	Macon, Ga.[24]	53,829	38,000,000*	79	21	Jan. 1	Apr. 15	Jan. 1	3	15.00	9.22	11.78	5.00	41.00	50	20.50		176
177	Greensboro, N. C.[54]	53,569	83,315,303	—	—	July 1	Sept. 1	Jan. 1	1	11.10	2.40	7.50	N	21.00	75	15.75		177
178	Austin, Texas[21]	53,120	52,573,185	80	20	Jan. 1	Jan. 1	Apr. 2	1	16.00	6.00	8.50	6.20	36.70	67	24.59	3,000[21]	178
179	Highland Park, Mich.	52,959	81,140,100	80	20	July 1	July 31	Aug. 16	2	14.30	11.60	4.67	N	30.57	100	30.57		179
180	Galveston, Texas	52,938	Not reporting															180
181	Waco, Texas[40]	52,848	48,595,360	71	29	Oct. 1	Oct. 5	Mar. 1	12	24.50	—	—	—	—			3,000[21]	181
182	Fresno, Calif.	52,513	54,191,605	84	16	July 1	Oct. 1	Dec. 5	2	16.30	16.30	10.80	N	43.40	50	21.70		182
183	Hamilton, Ohio	52,176	63,580,300	85	15	Jan. 1	Aug. 20	Sept. 1	2	7.75	6.77	2.44	N	16.96	70	11.87		183
184	Durham, N. C.[54]	52,037	72,937,844	67	33	July 1	Oct. 4	Feb. 2	1	13.05	3.35	6.00	N	22.40	75	16.80		184
185	Columbia, S. C.	51,581	Not reporting															185
186	Cleveland, Heights, O.	50,945	103,451,350	94	6	Jan. 1	—	—	2	4.20	13.50	5.30	N	23.00	80	18.40		186
187	Port Arthur, Texas[21]	50,902	27,937,700	83	17	July 1	Oct. 1	Dec. 1	2	20.00	6.50	8.00	4.90	39.40	70	27.58	3,000[21]	187
188	Dearborn, Mich.	50,358	173,006,085	62	38	July 1	July 1	Aug. 21	4	14.24	10.22	4.68	N	29.14	100	29.14		188
189	Kenosha, Wis.	50,262	69,627,190	91	9	Jan. 1	Jan. 1	Mar. 1	1	5.83	15.30	9.20	.67	31.00	80	24.80		189
190	Asheville, N. C.[54]	50,193	89,052,579	—	—	July 1	Oct. 4	Feb. 1	1	14.70	2.75	9.55	N	27.00	60	16.20		190
191	Pueblo, Colo.	50,096	26,725,491	—	—	Jan. 1	Jan. 1	Mar. 1	2	27.00	15.70	11.03	4.01	57.74	70	40.42		191
	Group V **Population 30,000 to 50,000**																	
192	Pittsfield, Mass.[40]	49,677	58,330,870	92	8	Jan. 1	July 1	Nov. 1	2	29.12	—	2.46	1.92	33.50	100	33.50		192
193	Woonsocket, R. I.[43]	49,376	74,391,700	76	24	Jan. 1	Oct. 10	Oct. 11	4	—	—	—	—	25.00	100	25.00		193

				Per Cent						Tax Rate Per $1,000 of Assessed Valuation on Uniform 100 per cent Legal Basis of Assessment								
No.	City	Census 1930	Assessed Value	Realty	Personalty	City Fiscal Year Begins	Date City Taxes (or 1st install-ment) are Due	1st Date City Taxes are Subject to Penalty	No. of Install-ments in which City Taxes are Payable	City	School	County	State	Total	Estimated Ratio of Assessed Value to Legal Basis (Per Cent)	Ad-justed Rate	Amount of Home-stead Ex-emption	No.
194	Haverhill, Mass.	48,710	53,326,978	88	12	Jan. 1	Oct. 1	Nov. 1	2	31.48	7.60	1.04	1.08	41.20	100	41.20		194
195	New Castle, Pa.	48,674	Not reporting															195
196	Everett, Mass.	48,424	70,608,650	87	13	Jan. 1	July 1	Nov. 1	2	22.13	7.80	1.38	4.29	35.60	100	35.60		196
197	Jackson, Miss.[55]	48,282	38,074,330	73	27	Oct. 1	Jan. 1	Feb. 2	3	18.50	8.00	13.40	8.00	47.90	60	28.74	2,500[55]	197
198	Phoenix, Ariz.	48,118	Not reporting															198
199	Stockton, Calif.	47,963	65,460,335	—	—	Jan. 1	Feb. 1	Mar. 1	10	18.60	12.40	19.40	N	50.40	50	25.20		199
200	Brookline, Mass.	47,490	160,217,600	91	9	Jan. 1	Oct. 15	Nov. 1	2	15.78	4.92	.66	2.64	24.00	100	24.00		200
201	Elmira, N. Y.	47,397	49,691,948	96	4	Jan. 1	May 15	June 1	2	29.44	9.18	3.42	—	42.04	65	27.33		201
202	Bay City, Mich.	47,355	42,532,280	85	15	July 1	Aug. 1	Oct. 1	1	14.70	9.81	11.83	N	36.34	80	29.07		202
203	Berwyn, Ill.	47,027	20,000,000	90	10	Jan. 1	—	—	2	26.50	40.70	10.20	N	77.40	37	28.64		203
204	Clifton, N. J.	46,875	47,698,327	94	6	Jan. 1	Feb. 1	Feb. 1	4	19.03	14.13	8.09	3.32	44.57	100	44.57		204
205	Aurora, Ill.	46,589	27,737,387	95	5	Jan. 1	Apr. 1	June 1	2	22.50	23.80	8.72	N	55.02	33	18.16		205
206	Muncie, Ind.	46,548	Not reporting															206
207	Stamford, Conn.[48]	46,346	110,231,475	86	14	Nov. 1	Sept. 1	Oct. 1	1	28.70	—	—	—	28.70	100	28.70		207
208	Waterloo, Ia.	46,191	Not reporting															208
209	Chelsea, Mass.	45,816	45,456,300	92	8	Jan. 1	July 1	Nov. 1	2	29.74	9.37	N	4.69	43.80	100	43.80		209
210	Lexington, Ky.	45,736	50,428,609	87	13	Jan. 1	June 1	June 30	2	17.40	7.80	—	—	—	70			210
211	Williamsport, Pa.[56]	45,729	29,290,700	100	—	Jan. 4	Apr. 1	July 1	—	14.50	22.00	14.50	N	51.00	56	28.56		211
212	Portsmouth, Va.[40]	45,704	32,269,202	95	5	Jan. 1	June 30	July 1	2	25.00	—	N	N	25.00	70	17.50		212
213	Jamestown, N. Y.	45,155	62,444,547	99	1	Jan. 1	May 15	June 16	1	13.31	11.32	6.56	—	31.19	70	21.83		213
214	Lorain, Ohio	44,512	70,550,674	85	15	Jan. 1	Jan. 20	Jan. 21	2	6.02	6.94	1.96	N	14.92	80	11.94		214
215	Chicopee, Mass.[40]	43,930	39,194,800	92	8	Jan. 1	July 1	Nov. 2	10	35.35	—	1.71	1.94	39.00	100	39.00		215
216	Wichita Falls, Texas[21]	43,690	30,000,000*	—	—	Oct. 1	Oct. 1	Feb. 1	2	14.00	11.50	6.00	11.90	43.40	67	29.08	3,000[21]	216
217	Battle Creek, Mich.	43,573	57,516,850	79	21	July 1	July 10	Aug. 20	1	10.40	7.00	3.20	N	20.60	100	20.60		217
218	Perth Amboy, N. J.	43,516	47,708,265	89	11	Jan. 1	Feb. 1	—	4	27.38	14.06	9.64	3.02	54.10	50	27.05		218
219	Salem, Mass.	43,353	54,494,060	89	11	Jan. 1	July 1	Nov. 1	10	20.53	9.55	1.57	1.85	33.50	100	33.50		219
220	Amarillo, Texas[21]	43,132	48,927,966	77	23	Apr. 16	Oct. 1	Dec. 1	2	11.20	9.90	6.20	6.20	33.50	75	25.13	3,000[21]	220
221	Columbus, Ga.[57]	43,131	41,450,114	70	30	Jan. 1	Aug. 1	Sept. 1	—	12.00	7.00	6.00A	3.75A	28.75A	67	19.26		221
222	Joliet, Ill.[58]	42,993	19,681,059	80	20	Jan. 1	Jan. 1	Sept. 1	2	23.10	32.30	12.50	N	67.90	50	33.95		222
223	Cranston, R. I.[42]	42,911	73,227,780	78	22	Oct. 1	Oct. 7	Nov. 19	4	—	—	—	—	23.00	90	20.70		223
224	Portsmouth, Ohio	42,560	49,890,770	93	7	Jan. 1	Dec. 20	Jan. 20	2	8.12	9.24	3.14	N	20.50	100	20.50		224
225	Lima, Ohio	42,287	49,000,000*	86	14	Jan. 1	Dec. 20	Feb. 20	2	9.20	7.10	4.50	N	20.80	70	14.56		225
226	Council Bluffs, Ia.	42,048	Not reporting															226
227	Montclair, N. J.	42,017	Not reporting															227
228	Dubuque, Ia.	41,679	Not reporting															228
229	Muskegon, Mich.	41,390	47,258,050	82	18	Jan. 1	Dec. 1	Jan. 10	1	9.75	9.55	4.18	N	23.48	100	23.48		229
230	Warren, Ohio	41,062	49,659,509	83	17	Jan. 1	Dec. 20	Feb. 1	2	6.40	8.40	3.90	N	18.70	80	14.96		230
231	Kearney, N. J.[14]	40,716	90,178,293	84	16	Jan. 1	Feb. 1	Feb. 2	4	25.30	—	9.71	3.45	38.46	65	25.00		231
232	Fitchburg, Mass.	40,692	47,884,925	84	16	Jan. 1	July 1	Nov. 1	2	26.22	8.90	1.44	1.44	38.00	100	38.00		232
233	Lynchburg, Va.	40,661	38,979,737	91	9	Jan. 1	July 1	July 16	3	12.00	11.50	N	N	23.50	70	16.45		233
234	St. Petersburg, Fla.[59]	40,425	68,959,164	92	8	Oct. 1	Oct. 1	Apr. 1	10	22.20	30.00	56.75	3.63	112.58	26	29.27	5,000[59]	234

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[55] **Jackson.** *Homestead exemption:* First $2500 of assessed value of homesteads in Mississippi is exempt from state taxes only.

[56] **Williamsport.** Rates reported are actual rates. City and school rates are based on 60 per cent assessment; county on 45 per cent. Ratio of assessed to true cash value is the resultant of these two bases.

[57] **Columbus.** County and state assess realty at 75 per cent of city valuation, these rates being adjusted to this percentage.

[58] **Joliet.** City rate includes road and bridge tax of $3.30, and park district rate of $4.20. County rate includes township rate of $4.90 and forest preserve rate of 30 cents.

[59] **St. Petersburg.** City rate is average of the separate rates of the four zones in the city. City and school rates are based on 70 per cent assessment; county and state on 15 per cent. Ratio of assessed to true cash value is resultant of these two bases. County rate includes road and bridge district rate of $15.00.

No.	City	Census 1930	Assessed Value	Per Cent		City Fiscal Year Begins	Date City Taxes (or 1st install-ment) are Due	1st Date City Taxes are Sub-ject to Penalty	No. of Install-ments in which City Taxes are Payable	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100 per cent Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (Per Cent)	Ad-justed Rate	Amount of Home-stead Ex-emption	No.
				Realty	Person-alty					City	School	County	State	Total				
235	Poughkeepsie, N. Y.	40,288	52,662,329	96	4	Jan. 1	Jan. 15	Feb. 16	4	23.96	6.96	7.70	.20	38.82	70	27.17		235
236	Ogden, Utah[38]	40,272	31,542,670	78	22	Jan. 1	Sept. 1	Nov. 30	1	13.00	14.30	5.00	6.00	38.30	50	19.15		236
237	Oshkosh, Wis.	40,108	41,719,075	89	11	Jan. 1	Jan. 1	Feb. 1	2	17.91*	13.05*	4.55*	.49*	36.00	90	32.40		237
238	Anderson, Ind.	39,804	Not reporting															238
239	East Cleveland, Ohio	39,667	53,538,680	88	12	Jan. 1	Dec. 20	Jan. 20	2	6.70	13.70	5.30	N	25.70	65	16.71		239
240	LaCrosse, Wis.	39,614	47,234,334	89	11	Jan. 1	Jan. 1	Mar. 1	3	8.99	8.20	11.70	.11	29.00	88	25.52		240
241	Butte, Mont.	39,532	51,177,500	78	22	July 1	Nov. 30	Dec. 1	2	12.04A	—	—	—	—	100			241
242	Sheboygan, Wis.	39,251	46,649,940	90	10	Jan. 1	Jan. 2	Mar. 22	2	13.90	10.24	5.53	.12	29.79	90	26.81		242
243	Waltham, Mass.	39,247	Not reporting															243
244	Quincy, Ill.	39,241	32,683,376	69	31	May 1	Jan. 1	June 1	2	14.70	15.00	3.70	N	33.40	50	16.70		244
245	Meriden, Conn.	38,481	58,641,435	84	16	Jan. 1	May 6	June 6	2	17.20	8.30	.25	.75	26.50	100	26.50		245
246	Bloomfield, N. J.[14]	38,077	68,920,033	89	11	Jan. 1	Feb. 1	Feb. 1	4	12.69	12.70	5.00	2.81	33.20	100	33.20		246
247	Rock Island, Ill.	37,953	21,059,861	80	20	Apr. 1	—	June 1	2	17.20	22.90	6.70	N	46.80	33	15.44		247
248	Cumberland, Md.[60]	37,747	44,384,689	88	12	Apr. 1	July 15	July 15	1	11.00	—	15.50	2.23	28.73	80	22.98		248
249	San Bernardino, Cal.	37,481	26,883,930	—	—	July 1	Oct. 1	Dec. 5	2	10.40	15.10	15.00	N	40.50	50	20.25		249
250	Green Bay, Wis.	37,415	50,780,860	91	9	Jan. 1	Feb. 28	Mar. 1	1	11.37	11.39	7.13	.11	30.00	90	27.00		250
251	Raleigh, N. C.	37,379	Not reporting															251
252	Taunton, Mass.	37,355	Not reporting															252
253	Santa Monica, Calif.[61]	37,146	44,569,800	80	20	July 1	Nov. 1	Dec. 6	2	18.90	17.60	20.00	N	56.50	50	28.25		253
254	West New York, N. J.	37,107	41,159,796	80	20	Jan. 1	Jan. 1	Feb. 1	4	22.44	18.27	7.95	2.83	51.49	75	38.62		254
255	Hazleton, Pa.	36,765	29,232,528	92	8	Jan. 4	Apr. 1	July 1	1	14.50	25.00	10.30	N	49.80	50	24.90		255
256	Danville, Ill.	36,765	21,094,995	75	25	May 1	Apr. 1	June 1	2	21.90	22.00	8.10	N	52.00	45	23.40		256
257	High Point, N. C.[64]	36,745	38,229,422	79	21	July 1	Oct. 1	Feb. 1	4	13.40	5.17	5.34	N	23.91	75	17.93		257
258	Auburn, N. Y.	36,652	51,972,190	97	3	July 1	July 1	Aug. 1	2	14.36	5.95	6.11	—	26.42	100	26.42		258
259	Zanesville, Ohio	36,440	Not reporting															259
260	Superior, Wis.	36,113	40,224,634	—	—	Oct. 1	Dec. 20	Feb. 1	1	6.22	18.29	16.57	.12	41.20	85	35.02		260
261	Arlington, Mass.[42]	36,094	59,436,500	95	5	Jan. 1	July 1	Nov. 1	10	—	—	—	—	35.60	100	35.60		261
262	Norwalk, Conn.[42]	36,019	66,710,693	85	15	Sept. 1	Oct. 1	Nov. 1	2	—	—	—	—	21.80	80	17.44		262
262	Elgin, Ill.	35,929	21,454,953	75	25	Jan. 1	Jan. 1	Apr. 2	2	20.80	19.80	4.82	N	45.42	35	15.90		263
264	Norristown, Pa.	35,853	24,912,815	92	8	Dec. 1	June 1	Oct. 1	1	15.00	22.00	3.00	N	40.00	50	20.00		264
265	White Plains, N. Y.	35,830	154,492,533	97	3	Jan. 1	Jan. 1	Feb. 1	—	11.79	9.26	5.08	—	26.13	85	22.21		265
266	Revere, Mass.[42]	35,680	41,000,000*	94	6	Jan. 1	Oct. 15	Nov. 1	2	41.80	—	—	—	41.80	100	41.80		266
267	Steubenville, Ohio	35,422	50,858,450	90	10	Jan. 1	Dec. 20	Jan. 20	2	4.10	7.60	2.50	N	14.20	80	11.36		267
268	Orange, N. J.	35,339	Not reporting															268
269	Alameda, Calif.[37]	35,033	29,156,843	87	13	July 1	—	Dec. 5	2	15.80	18.72	15.88	N	50.40	53	26.71		269
270	Lewiston, Me.	34,948	31,306,218	86	14	Mar. 1	Aug. 30	Nov. 25	1	20.52	6.84	1.80	6.84	36.00	55	19.80		270
271	Watertown, Mass.	34,913	51,192,725	93	7	Jan. 1	June 15	Nov. 2	2	20.48	8.22	1.50	4.80	35.00	100	35.00		271
272	Amsterdam, N. Y.	34,817	Not reporting															272
273	West Allis, Wis.	34,671	51,193,119	83	17	Jan. 1	Jan. 1	Mar. 1	—	12.03	15.31	7.93	—	35.27	85	29.98		273
274	New Brunswick, N. J.[14]	34,555	41,367,125	95	5	Jan. 1	Feb. 1	Feb. 1	4	21.30	12.60	9.70	3.00	46.60	70	32.62		274
275	Easton, Pa.[62]	34,468	42,982,839	100	—	Jan. 1	—	—	4	12.00	14.50	9.80A	N	36.30	100	36.30		275
276	Plainfield, N. J.[14]	34,422	60,195,262	90	10	Jan. 1	Feb. 1	Feb. 1	4	17.66	12.90	5.87	2.57	39.00	75	29.25		276
277	Newport News, Va.	34,417	34,511,893	86	14	Jan. 1	Dec. 5	Dec. 6	—	15.31	14.80	N	N	30.11	50	15.06		277
278	Santa Barbara, Calif.[37]	33,613	46,289,845	92	8	July 1	Nov. 1	Dec. 5	2	14.50	14.00	13.00	N	41.50	53	22.00		278

[60] **Cumberland, Hagerstown.** County rate includes school rate.

[61] **Santa Monica.** County rate includes metropolitan water district, $4.00, and flood control, $1.90.

[62] **Easton.** County rate is adjusted to 100 per cent assessment. Actual rate of $14.00 is based on 70 per cent assessment.

No.	City	Census 1930	Assessed Value	Per Cent		City Fiscal Year Begins	Date City Taxes (or 1st installment) are Due	1st Date City Taxes are Subject to Penalty	No. of Installments in which City Taxes are Payable	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100 per cent Legal Basis of Assessment					Estimated Ratio of Assessed Value to Legal Basis (Per Cent)	Adjusted Rate	Amount of Homestead Exemption	No.
				Realty	Personalty					City	School	County	State	Total				
279	Paducah, Ky.	33,541	17,164,070	86	14	Jan. 1	June 1	July 1	2	17.00	10.60	—	—	—				279
280	Mansfield, Ohio	33,525	47,500,000	86	14	Jan. 1	Dec. 1	Apr. 1	2	5.20	7.90	2.30	N	15.40	100	15.40		280
281	Joplin, Mo.	33,454	20,958,042	72	28	Jan. 1	Sept. 1	Jan. 1	1	16.00	17.30	6.70	1.50	41.50	50	20.75		281
282	Waukegan, Ill.	33,499	16,825,540	—	—	May 1	June 1	July 1	2	23.00	39.20	9.80	N	72.00	25	18.00		282
283	Norwood, Ohio	33,411	Not reporting															283
284	Sioux Falls, S. D.	33,362	Not reporting															284
285	Colorado Springs, Colo.	33,237	29,163,080	77	23	Jan. 1	Mar. 1	May 1	2	13.70	22.67	7.79	3.00	47.16	75	35.37		285
286	Elkhart, Ind.	32,949	37,244,734	75	25	Jan. 1	—	May 3	2	6.70	8.30	6.60	1.50	23.10	70	16.17		286
287	Kokomo, Ind.	32,843	27,355,390	68	32	Jan. 1	Jan. 1	May 3	2	12.20	12.60	11.30	1.50	37.60	100	37.60		287
288	Laredo, Texas[21]	32,618	16,221,130	80	20	May 1	Nov. 1	May 1	—	15.10	8.20	7.50	6.20	37.00	65	24.05	3,000[21]	288
289	Tucson, Ariz.	32,506	22,394,685	91	9	July 1	Sept. 1	Nov. 1	2	22.09	14.36	14.54	3.50	54.49	50	27.24		289
290	Richmond, Ind.	32,493	Not reporting															290
291	Rome, N. Y.	32,338	29,124,252	97	3	Jan. 1	Apr. 1	May 1	2	18.44	11.36	10.15	—	39.95	70	27.97		291
292	Wilmington, N. C.	32,270	Not reporting															292
293	Moline, Ill.	32,236	21,856,414	78	22	Apr. 1	May 1	June 1	2	14.00	26.20	7.80	N	48.00	33	15.84		293
294	Watertown, N. Y.	32,205	47,332,880	100	—	July 1	July 1	Aug. 2	1	15.00	10.30	7.00	—	32.30	90	29.07		294
295	Muskogee, Okla.[30]	32,026	18,092,972	70	30	July 1	Oct. 1	Nov. 1	4	14.98	17.62	9.21	N	41.81	70	29.27	1,000[30]	295
296	Meridian, Miss.[55]	31,954	21,425,312	70	30	Oct. 1	Dec. 1	Feb. 1	3	14.00	13.00	13.30	8.00	48.30	65	31.40	2,500[55]	296
297	Pensacola, Fla.	31,579	Not reporting															297
298	Nashua, N. H.	31,463	Not reporting															298
299	Fort Smith, Ark.[63]	31,429	15,556,682	67	33	Jan. 1	Apr. 10	May 10	3	3.75	9.00	4.50	4.35	21.60A	100	21.60	1,000[63]	299
300	Port Huron, Mich.	31,361	31,696,844	87	13	May 1	July 1	Aug. 1	1	14.74	10.25	8.04	N	33.03	100	33.03		300
301	Newburgh, N. Y.	31,275	40,650,100	96	4	Jan. 1	Mar. 22	Apr. 23	1	14.20	9.89	13.19	—	37.28	83	30.94		301
302	Marion, Ohio	31,084	Not reporting															302
303	Bloomington, Ill.	30,930	Not reporting															303
304	Hagerstown, Md.[60]	30,861	38,000,000	80	20	Apr. 1	June 30	Jan. 1	1	8.50	—	10.60	2.20	21.30	85	18.11		304
305	Bellingham, Wash.[41]	30,823	13,708,622	73	27	Jan. 1	Mar. 1	Nov. 30	2	10.39	5.00	7.11	1.86	24.36A	84	20.46		305
306	Baton Rouge, La.	30,729	Not reporting															306
307	Newark, Ohio	30,596	28,286,110	90	10	Jan. 1	Dec. 1	Dec. 20	2	7.85	8.85	3.00	N	19.70	80	15.76		307
308	Everett, Wash.[41]	30,567	14,659,190	72	28	Jan. 1	Feb. 15	May 31	2	14.05	6.10	5.52	2.93	28.60A	88	25.17		308
309	Santa Ana, Calif.	30,322	24,090,100	—	—	July 1	Nov. 1	Dec. 5	2	15.00	17.40	11.10	N	43.50	50	21.75		309
310	Alton, Ill.	30,151	15,783,533	73	27	Apr. 1	May 1	June 1	2	14.60	21.30	9.30	N	45.20	50	22.60		310

[63] **Fort Smith.** Legal basis of assessment is 50 per cent; rates shown are adjusted to uniform 100 per cent basis. *Homestead exemption;* First $1000 of assessed value; state tax only.

No.	City	Population	Assessed Value	Per Cent		City Fiscal Year Begins	Date City Taxes (or 1st install-ment) are Due	1st Date City Taxes are Sub-ject to Penalty	No. of Install-ments in which City Taxes are Payable	Tax Rate Per $1,000 of Assessed Valuation on Uniform 100 per cent Legal Basis of Assessment				Estimated Ratio of Assessed Value to Legal Basis (Per Cent)	Ad-justed Rate	Amount of Home-stead ex-emption	No.
				Realty	Person-alty					City	School	Province	Total				
	Canadian Cities																
1	Montreal, Que.[64]	818,577	920,005,859	100	—	May 1	Oct. 1	Oct. 1	1	17.84	12.00	N	29.84	100	29.84		1
2	Toronto, Ont.[65]	626,674	974,204,593	100	—	Jan. 1	May 7	June 7	3	24.25	11.45	N	35.70	100	35.70		2
3	Vancouver, B. C.[66]	246,593	216,966,864	100	—	Jan. 1	Jan. 1	—	1	21.85	10.10	N	31.95A	100	31.95		3
4	Winnipeg, Man.[66]	218,785	194,555,970	100	—	Jan. 1	May 1	Oct. 1	—	13.52	11.94	.79	26.25A	100	26.25		4
5	Hamilton, Ont.[67]	153,507	164,162,342	100	—	Jan. 1	Apr. 1	Apr. 16	4	25.87*	13.13*	N	39.00	100	39.00		5
6	Quebec, Que.[68]	130,594	118,035,045	100	—	May 1	July 1	Nov. 1	—	26.80	10.00	N	36.80	80	29.44		6
7	Ottawa, Ont.	126,872	Not reporting														7
8	Calgary, Alta.[69]	83,761	56,773,081	100	—	Jan. 1	June 25	June 26	—	18.02	14.95	N	32.97A	100	32.97		8
9	Edmonton, Alta.[66]	79,197	53,970,590	100	—	Jan. 1	May 22	—	4	19.23	18.19	N	37.42A	100	37.42		9
10	London, Ont.	71,148	81,929,645	100	—	Jan. 1	June 18	June 19	3	23.62	14.84	N	38.46	100	38.46		10
11	Windsor, Ont.	63,108	93,150,460	100	—	Jan. 1	Apr. 1	Jan. 1	5	24.90	16.10	N	41.00	100	41.00		11
12	Verdun, Que.[70]	60,745	41,103,920	100	—	Jan. 1	Jan. 1	Jan. 1	1	15.00	10.00	N	25.00	80	20.00		12
13	Halifax, N. S.[71]	59,275	59,297,080	100	—	May 1	May 1	Sept. 1	2	24.30	11.00	.90	36.20	100	36.20		13
14	Regina, Sask.[72]	53,209	42,177,540	100	—	Jan. 1	June 30	Jan. 1	2	18.59	12.49	1.42	32.50A	100	32.50		14
15	St. John, N. B.[73]	47,514	44,638,100	100	—	Jan. 1	Aug. 2	Oct. 3	3	14.60	15.40	12.20	42.20	100	42.20		15
16	Saskatoon, Sask.[66]	43,291	33,101,517	100	—	Jan. 1	July 15	Jan. 1	2	14.23	18.54	1.72	34.49A	100	34.49		16
17	Victoria, B. C.[66]	39,082	45,656,590	100	—	Jan. 1	Aug. 15	Oct. 1	—	24.58	8.29	N	32.87A	100	32.87		17
18	Three Rivers, Que.	35,450	Not reporting														

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[64] **Montreal.** The Catholic school rate is $7.00, the Protestant $10.00, and the neutral school rate $12.00, the last being reported. A special tax not exceeding 6 per cent is imposed on vacant lots in front of which water pipes are laid and business premises pay a tax on annual rental.

[65] **Toronto.** Realty valuation includes 11.5 per cent business. The public school rate is reported; separate school rate is $15.35.

[66] **Vancouver, Winnipeg, Calgary, Edmonton, Regina, Saskatoon, Victoria.** Land is assessed at 100 per cent and improvements at the following figures: Vancouver, 50 per cent; Winnipeg, 66 2/3 per cent; Calgary, 50 per cent; Edmonton, 55 per cent; Regina, 30 per cent; Saskatoon, 60 per cent; Victoria, 65 per cent. The ratios of ratable assessment are: Vancouver, 71.1 per cent; Winnipeg, 76.1 per cent; Calgary, 63.4 per cent; Edmonton, 69.3 per cent; Regina, 65 per cent; Saskatoon, 76.6 per cent; Victoria, 75.6 per cent. Rates shown are actual rates adjusted to uniform 100 per cent basis.

[67] **Hamilton.** Realty valuation includes 9.5 per cent business and income. The school rate reported is public school; the separate school rate is approximately $16.13.

[68] **Quebec.** City rate includes $5.00 for water paid by property exempt from other taxes. Protestant and neutral school rate is reported; the Catholic rate is $10.50.

[69] **Calgary.** Realty valuation includes 3.2 per cent franchises. See note 66 re adjusted rates.

[70] **Verdun.** Protestant school rate is reported. Catholic school rate is $8.00 and neutral school rate is $12.00

[71] **Halifax.** Realty assessment includes 18 per cent business and income.

[72] **Regina.** The public school rate is reported; separate school rate is $13.65 (adjusted from actual rate of $21.00). See note 66 re adjusted rates.

[73] **Saint John.** Realty assessment includes 36 per cent income and business.

RECENT NEWS REVIEWED

NOTES AND EVENTS

Edited by H. M. Olmsted

Council-Manager Plan Developments.—Although Westchester County, New York, on November 2nd adopted by a majority of about 19,000 votes a charter providing for an elected executive, Erie and Schenectady Counties, in the same state, turned down appointive county-manager plans. In Erie County the vote was very close. In Schenectady County the margin was larger, although the total vote was light; time for public consideration of the proposal was short.

The city of Yonkers, New York (135,000 population) again defeated the council-manager plan, by a majority of about 1,600 votes out of 36,000. The supporters of the plan have sought a recheck of the vote.

In Colquitt County, Georgia, the grand jury on October 13th recommended to the Superior Court that the county board take steps toward establishing the county manager plan.

Cedartown, Georgia, (8,000) recently adopted a council-manager charter which will become effective January 1st.

Petitions are being circulated in Independence, Missouri, (15,300) requesting the council to call a special election on the adoption of the council-manager plan.

The mayor of Battle Creek, Michigan, (44,000) has proposed that the charter be revised to provide for a city manager.

On November 29th South Haven, Michigan, (4804) elected a charter commission which held its first meeting December 7th. The commission has the manager plan under consideration.

Milwaukee's Lecture Course on Administrative Efficiency.—Department heads of the city of Milwaukee, Wisconsin, and their aids are attending a series of weekly noonday lectures by experts in all phases of municipal administration, arranged by the Milwaukee Government Service League through its committee on training for the public service. Round-table discussions follow the lectures if desired. The league is composed of city and county officials and their employees interested in making the public service more efficient. The express purpose of the course is to give members of the various departments a working knowledge of the over-all functioning of their city government, and its internal relationships, and also to furnish information as to modern administrative methods.

*

Michigan to Train Apprentices for Personnel Work.—As a result of the recent civil service reforms in Michigan, apprentices in government personnel work will go into training this year on the staff of the new state civil service department. Besides regular work in the Lansing office of the department, the training will include a course of special lectures at the University of Michigan once a week. Under plans for a continuing program each year's group of apprentices will be selected by competitive examination open to students with B.A. or M.A. degrees who have taken courses in political science, public administration, or personnel management. At the end of their year's apprenticeship they will be encouraged to enter a promotional examination to qualify for junior technical positions on the regular staff.

Michigan's training procedure for public personnel service will follow closely the program developed by Director William Brownrigg in his previous capacity as an executive of the California State Personnel Board.

Pennsylvania Amendments Have Hard Sledding.—At the November 2nd election Pennsylvania defeated four proposed constitutional amendments which would have provided for city-county consolidation as to Philadelphia, for a state income tax and the reclassification of property for taxation, for the removal of the five-year prohibition against resubmission of proposed amendments to the voters, and for a $42,000,000 bond issue for state buildings. One amendment, legalizing mothers' assistance, blind and old-age pensions, was adopted.

*

Two Hundred Boards to Study Legislative Programs.— During 1938, when in most of the states the legislatures do not meet, over two hundred legislative committees and commissions will be preparing to advise their legislatures on a wide variety of subjects by 1939, according to a survey by the Council of State Governments. These bodies are chiefly made up of legislators, but some commissions include other citizens.

Legislative councils established during the past four years by eight states—Connecticut, Illinois, Kansas, Kentucky, Michigan, Nebraska, Virginia, and Wisconsin—carry the advisory committee a step further. Designed primarily to collect information during intervals between sessions and to present a program for action, including drafts of bills, the legislative council is frequently aided by research workers employed on a full-time basis. The council itself, however, in most states is composed of legislators.

*

Permanent Registration in Pennsylvania.—The first permanent registration under the new elections code in Pennsylvania resulted in a total of 3,968,361 registering, which is 99,820 more than were registered for the primary elections, but 947,985 fewer than the registration for last year's general election. Both major parties worked hard to register their followers. The new registrations show: Republicans, 2,012,535; Democrats, 1,968,361; other parties, 93,065.

*

New Jersey Extends Merit System.—On November 2nd a decided victory for the merit system was recorded in New Jersey, where, by a vote of more than three to one, eleven cities and one county placed their employees under civil service. Widest referendum on the question since the New Jersey local option civil service law was passed in 1908, its results more than double the number of municipalities for which the state civil service commission conducts civil service examinations and provides other technical personnel services.

*

New York State Officials Get Longer Tenure.—Terms of New York's governor, lieutenant governor, comptroller, and attorney-general will hereafter be four years instead of two, as a result of constitutional amendments approved by voters November 2nd. Terms of state assemblymen were also lengthened from one year to two.

*

Detroit Keeps Its Government Nonpartisan.—In its biennial city election November 2nd, Detroit again decided to retain its nonpartisan system of elections and administration as established twenty years ago when the present strong mayor and small council charter was adopted. The CIO labor slate candidates for mayor and the council were decisively defeated.

This result was achieved after one of the most vigorous and exciting campaigns waged in Detroit for many years. The issue had been clearly defined before the October 5th primary by the CIO candidates. Patrick H. O'Brien, former attorney-general of Michigan and candidate for mayor, had repeatedly declared: "Labor must seize the reins of government in Detroit and every other large city in America." This demand by one of the two labor groups became the real issue in the campaign.

Besides O'Brien the CIO group supported a slate of five candidates for the city council. The purpose was to elect a majority of the nine councilmen. These five were nominated among the eighteen candidates chosen October 5th from a field of seventy. The nominees included the six incumbent councilmen with good records. Opponents of the CIO program combined forces after the primary in support of a dozen candidates among whom nine were backed by most of the civic, business and fraternal organizations engaged in the campaign.

Richard W. Reading, the new mayor-elect, has a record of sixteen years in city service, of which the past twelve years have been spent as city clerk and chairman of the important nonpartisan city election commission. The Reading backers declined to engage in mud-slinging, which was adopted by the O'Brien forces to such an extent that they will be compelled to defend their charges in court. In the total vote of more than 400,000, O'Brien received 154,000 on November 2nd. The expectation that one or two of the CIO council candidates might be elected was not fulfilled—Maurice Sugar, the spearpoint of their attack on the charter system, ran tenth at the election, being 23,000 votes behind the ninth man in the list of winners.

The Reading campaign was based definitely on insistence that the genuine nonpartisan system be continued. The CIO forces declared for a list of "social justice" objectives, most of which, according to the Reading view, already were provided in the city government or were the kind of functions with which the city government as such has nothing directly to do. Naturally, the campaign developed into a joining of issues as between employers and employees. It was an industrial issue in the political field. An important factor was the failure of the CIO group to win support from the old AFL organization, whose leaders declined to go along with the CIO on the slated program which had been publicly announced before the primary.

W. P. Lovett

Detroit Citizens League

Note.—Detroit presents an outstanding example of the need for proportional representation. It seems obvious that a group which contributed nearly 40 per cent of the total vote for mayor should be adequately represented in the council, instead of having no representation.—H. M. O.

*

Unemployment Benefits Present Vast Administrative Problem.—More than eleven million workers in twenty-one states and the District of Columbia are expected to become eligible the first of the year to draw unemployment benefits from trust funds estimated to total about $350,000,000. Most of the remaining states will begin paying benefits by January 1, 1939. Administration of the new unemployment compensation benefits raised many problems, including: the extent to which unemployment compensation benefits must be supplemented by relief, whether relief should be kept entirely separate and distinct from social insurance, the administrative and financial implications of such separation, methods of providing for workers who have exhausted their rights to benefits, and the procedures whereby the welfare department, the employment service, and the unemployment compensation agency may clear on their related functions.

These matters, as well as various other topics of interest in the public welfare field, will be discussed at the conference of the American Public Welfare Association in Washington, December 10th to 12th.

*

Los Angeles County Career Men Publish Bulletin.—Beginning with the November 1937 issue, the publication of the *Career Service Bulletin* was inaugurated by the Career Service Guild, an organization of men and women, all graduates of major California universities, who have completed a year's interneship in public administration in Los Angeles County, California, and who are continuing in governmental work. There are twenty-four members, with nine associate members who are now taking their interneships. The latter comes under the training program of the department of budget and research and the civil service commission of Los Angeles County.

The bulletin will include explanations of various phases of the county's apprentice training program, and also brief articles on problems and accomplishments of the county government and other topics of governmental interest.

*

Memphis Establishes Junior Vocational Service.—The city government of Memphis, Tennessee, has initiated a junior placement bureau as an adjunct to the Memphis Employment Center—the city-federal agency. The bureau will establish contacts with employers to determine positions that are open to young people, and what training is required. The staff will attempt to ascertain the interests, aptitudes, and personality traits of boys and girls out of school, and will furnish guidance as to vocations and training. The service is free.

*

Voting Machines Authorized in Tennessee.—The general assembly of Tennessee, at its regular session early in 1937, authorized the use of voting machines in primaries and in general elections. The actual adoption of the machines depends upon the decision of the local authorities. The governing body of any city and the quarterly court of any county may vote to use them in city and in county and state elections respectively. The law permits experimental use of the machines in one or more precincts. The statute prescribes in detail the specifications of the voting machines and the manner of conducting elections when they are employed. The electorate is to be informed of the method of operating them, by means of demonstration machines and by means of sample ballots mailed to the voters or published in the newspapers.

So far as could be determined, Davidson County is the only local governmental unit which has taken advantage of the provisions of the law. It rented thirty machines for one year, and they were first used in the prohibition repeal referendum of September 23rd. Since this election involved merely a yes or no vote on one question, it can hardly be considered an adequate trial of the device. It is hoped that more counties and cities will try the machines in elections and primaries where the names of numerous candidates appear on the ballot.

LYNDON E. ABBOTT

Tennessee Valley Authority

COUNTY AND TOWNSHIP GOVERNMENT

Edited by Paul W. Wager

Westchester County, New York, Adopts New Charter.—After five efforts extending over twelve years Westchester County voters have finally approved the adoption of a new plan of county government to replace machinery patched over since 1683. While the plan adopted is less radical than some of the earlier proposals, it represents a big step in the right direction. The charter becomes operative on January 1st, but its full effect will not be manifest until a year later when a county executive, to be elected next November, takes office and assumes the administrative duties which have heretofore been performed by the board of supervisors. He will appoint, subject to ratification by the supervisors, a commissioner of finance (new), a commissioner of public works (new), a budget director, and a commissioner of public welfare (now elective). A commissioner of health will be appointed subject to approval by the county board of health.

The present elective offices of county treasurer and county controller will be abolished and their work transferred to the new department of finance. The elective office of county clerk will absorb the county register's office, and the new department of public works will be a consolidation of the present engineering and building maintenance departments.

Supervisors will appoint a county auditor to provide a check on all officials, and a new personnel officer will extend the merit system. A new county tax commission, appointed by the county executive and ratified by the supervisors, will compile and adopt all county tax equalization tables. Supervisors now perform that work. A new county planning board will collaborate with supervisors and local planning groups in drafting a master county plan.

Judges, the sheriff, and the district attorney will continue to be elected. There will be no change in appointive offices, such as commissioner of jurors, medical examiner, commissioners of election, public administrator, and park and recreation commissioners.

Radical changes which can be accomplished through future referenda are: (a) a board of control of ten to twelve members would replace the board of supervisors of forty-two members; (b) real estate assessments in all communities would be made by a central department; (c) a debt commission would supervise and restrict the issuance of all bonds by the county and its political subdivisions.

*

Training Schools for Town and County Officials in New York.—Officials of New York towns (or townships, as they would be called in most states) are entering in large numbers into training schools which have been developing in the last two years.

In the fall of 1935 Frank C. Moore, executive secretary of the Association of Towns of the State of New York, and Harold W. Sanford, associate editor of the *Rochester Democrat and Chronicle,* were instrumental in arranging the first regional training school for town officials. A two-day school under the joint sponsorship of the association and the *Democrat and Chronicle* in Rochester was held in December of that year. More than five hundred local officials attended and showed unusual interest.

As a result of this successful school, the Board of Regents of the State of New York in 1936 granted a provisional charter to the Town and County Officers Training School of the State of New York. The purpose of the school is "to provide courses of training for municipal officials in the service of New York State towns and counties." The board of trustees of the school is now composed of eleven members including Governor Herbert H. Lehman; Frank Moore; Howard W. Sanford; State Senator Leigh C. Kirkland; James L. Dowsey, president of the Association of Towns; Edward F. N. Uthe, vice-president of the Associations of Towns; Professor M. P. Catherwood, Cornell University; Harry T. O'Brien, director of the Bureau of Municipal Accounts, State Department of Audit and Control; William Allen Eddy, president of Hobart College; Edson J. Walrath, executive committee, New York State Grange; and Professor Alonzo G. Grace, University of Rochester.

During the first year the school, in coöperation with the association and other organizations, sponsored four training schools. These were held in Rochester, Buffalo, Albany and Potsdam, with a total attendance of more than four thousand local officials.

Programs at each of these schools have extended over two days. Ordinarily the first morning session and the luncheon and dinner meetings have been for the entire attendance. Other sessions have been group meetings with as many as four separate sessions for different officials under way at one time. Speakers at the various sessions have included experts from the various state departments, staff members from several colleges and universities, and numerous state, county, and town officials. In addition to the formal presentation of material by the speakers, sufficient periods are reserved for questions and discussion so that local officials may obtain solutions to particular problems with which they are faced.

One of the most worthwhile features on the programs of these schools has been the model court trials which have been presented at the justice of the peace sessions. These trials are handled exactly as they would be handled in a justice court, but deliberate attempts are made to have them illustrate as many as possible of the more perplexing problems which arise in justice court work. Questions are permitted at any time. Many justices have found these trials very effective means of improving their own procedure.

It is expected that at least four regional schools will be sponsored by the Town and County Officers Training School during the year 1937-38, and it is hoped that all town and county officials in the state will have the opportunity of attending one of these schools. The first school of the 1937-38 series was held in Binghamton, October 8th and 9th. Under the provisions of a law passed by the 1937 session of the state legislature, the expenses of town officials while attending the school in their section are proper town charges.

T. N. Hurd

Cornell University

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Tennessee Legislature Enacts a County Unit Primary Law.—Disagreement between Tennessee's Governor Gordon Browning and Ed Crump, undisputed leader of the Shelby County (Memphis) Democratic organization and former congressman, has brought about the enactment of a county unit primary law for Tennessee. The purpose of the new statute is to curb the power heretofore exercised by Crump in the important Democratic primaries. The control of nominations of candidates to the United States Senate and public versus private ownership of electric power are the alleged issues in the conflict.

The law applies to the nomination of candidates to three offices, namely, governor, United States senator, and state public utilities commissioner. The successful candidate in the respective party primaries must secure a plurality of the unit votes in the state, all the unit votes of each county being counted for the candidate with a plurality of the popular vote in that county. The number of unit votes which each party will have in the counties is determined as follows: one unit vote will be allowed for every one hundred votes or fraction thereof cast in the last preceding general election for the party's candidate for governor. The total unit votes allowed each party in each county is limited to that number represented by one-eighth of one per cent of the county's population in the last preceding federal census. This method of determining the maximum and the actual unit votes differs from the system in Georgia where the unit votes equal twice the number of representatives the county has in the lower house of the state legislature. Under the unit plan in Tennessee, Shelby County, for instance, is limited to some 380 unit votes for each party, whereas the vote cast in the 1936 elections would entitle it to approximately 600 unit votes were no maximum set in the law.

The doubt of constitutionality, however, hangs over the law. A chancery court judge has held that three members of the lower house who voted for the bill had automatically vacated their seats in the legislature when they accepted other remunerative state jobs which they now hold. Should this ruling be affirmed by the higher courts, it would provide a means by which the constitutionality of the unit law could be attacked. The disqualification of any two of these legislators would mean that the constitutional majority of fifty votes necessary to the passage of the measure did not exist.

The opinion of much of the press is expressed in the editorial carried on November 22nd by the *Chattanooga Times*, which said: "Governor Browning has exacted from the taxpayers of Tennessee the sum of at least $90,000 which he has used to pay the members of the general assembly, in salaries, incidentals, and perquisites, for converting a democratic government into an authoritarian government. The assembly has made Governor Browning the political dictator of the state; it has given him absolute control of the election machinery and a primary system under which he can use the election machinery to play off against the large, urban counties the great majority of small rural counties."

Lyndon E. Abbott

Tennessee Valley Authority

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City-County Consolidation in Philadelphia Defeated.—The proposed constitutional amendment which would have paved the way for the consolidation of Philadelphia City and County was defeated at the November election by nearly 100,000 votes. The defeat of another proposed amendment prevents the resubmission of the question for another five years.

County Manager Plan Defeated in Schenectady County, New York.—The proposal to adopt a county manager charter in Schenectady County was lost at the recent election by a vote of 7003 to 3757. The defeat was not surprising in view of the fact that the charter had been before the people for only about thirty days. In fact some of the reform elements were opposed to it because they felt that the proposed charter had been too hastily drafted and that a better one might be presented with a fair chance of adoption at the next general election.

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County Manager Plan Defeated in Erie County, New York.—The county manager plan for Erie County was defeated in the referendum held at the time of the recent general election by the slim margin of 390 votes in a poll of 65,000 votes in Buffalo and by 160 in a poll of 15,000 outside of Buffalo. The Buffalo Municipal Research Bureau and other reform organizations expected to lose by a greater vote and feel very much encouraged for the success of the plan at a subsequent election.

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Virginia County Rejects Executive Plan.—In a referendum held November 2nd, Chesterfield, an urban county lying between the cities of Richmond and Petersburg, rejected the county executive form of government. The movement for submitting the question for a change in the form of government originated over a year ago when the Better Government League presented a petition for an election to the judge of the circuit court. The new plan of government was opposed by the Chesterfield Citizens Association. Prior to the referendum, both sides had presented speakers to "educate" the people.

James E. Pate

College of William and Mary

TAXATION AND FINANCE

Edited by Wade S. Smith

Cleveland Fumbles Opportunity to Rehabilitate Its Finances.—Cleveland voters at the November 2, 1937, election were afforded an opportunity to strengthen the fundamental financial position of their city. Unfortunately, however, this opportunity, which took the form of four amendments to the city charter, was rejected by a vote of two to one.

Significant items in the amendments included the curbing of appropriations for current expense purposes to an increase of not more than 5 per cent of the amount appropriated in the previous year; the establishment of a 9.5-mill operating tax rate limit, of a .2-mill annual levy through 1942 for police and fire equipment and building, of a 1-mill annual levy after 1942 for defraying the cost of permanent public improvements, and of the necessary annual levy for debt service charges. A safeguard was also established by permitting a levy in excess of the foregoing limits provided the additional rate had the approval of a majority of the voters.

The amendments looked toward the immediate stabilization of the tax revenue system for carrying on the customary functions of city government and the financing of capital improvements in the future on a partially pay-as-you-go basis. Other benefits to be derived were the curbing of the spending power of council, removal of deficit financing, elimination of the costly need for holding special elections, permitting the administration to devote its time to its usual duties, divorcing of city finances from the constitutional tax rate limitation and from the changing laws of the state legislature, and the bolstering of the city's credit standing by allowing an orderly retirement of debt obligations.

The need for a revamping of Cleveland's revenue structure lies in an over-all constitutional tax rate limit of 10 mills, of which the city receives by statutory enactment 4.4793 mills. The rate is inclusive of the rate for operating purposes, for debt charges on bonds not approved by the electorate, and for pensions. The low rate, whose productivity has been further aggravated by a 46 per cent decline in assessed valuation from the peak, falls far short of supplying the revenue needs of the city even under a drastic economy program. Actually, normal operating expenses have been increasing and this year another heavy burden, relief costs, has been handed this city as well as other Ohio municipalities. Except for the state's re-entry into the relief picture at the coming special session of the legislature, this additional charge may continue to constitute a serious drain upon the city's already meagre revenues. If in 1937 full provision had been made in the tax levy for fixed costs payable from within the city's 4.4793 mill limit, the balance left for operating purposes would have been 1.2337 mills or a levy of only $1,446,700, a glaring example of the insufficiency of the tax revenues upon which this city of 928,000 is supposed to function. If all fixed charges could be disregarded entirely, the 4.4793-mill rate would still be roughly half the amount required for operating purposes. Granted that miscellaneous revenues, including the state sales tax allocations, have been beneficial, they fail to relieve an acute financial predicament.

The situation was eased in 1936 when the voters approved an operating rate of 7 mills and for 1937 a 5.5 mill rate has been approved. Also in each of these years bonds payable from within the limit have been refunded in order to augment the available funds for operations, and bonds payable from without the limit were refunded in order to keep the tax rate down which in turn enhanced the possibility of an operating levy being approved. In each year $4,000,000 serial bonds were refunded or 75 per cent of the current serial requirements.

With the defeat of the recent charter amendment proposals, an occasion has been lost for permanently rehabilitating Cleveland finances through the establishment of a dependable tax revenue system. Balanced operations in the future will necessarily hinge first upon the approval each year of special levies voted by the electorate and second upon the continued refunding of maturing bond obligations, a condition forced upon the local administration by a strangling constitutional tax rate limitation.

Charles W. Faber
Municipal Research Associate,
Dun & Bradstreet, Inc.

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Municipal Budget Review In Iowa.—The Iowa forty-seventh general assembly in session during the first months of 1937 established a record of sympathy for overburdened taxpayers. One of its measures, senate file No. 89, amended the local budget law by creating a state board of appeal to review certain budgets, proposed expenditures, and tax levies. This board of appeal is composed of the state comptroller, the state auditor, and the state treasurer. The law authorizes the board to employ deputies and other necessary help.

The important function of the board through its deputies is to hear on appeal each protest, presented in the form of written objections of at least ten interested taxpayers, to the decisions of certifying boards or levying boards respecting the financial policies of municipal corporations. After hearing the board approves as a whole or disapproves by reduction the proposed budgets, expenditures, or tax levies submitted upon appeal. The board certifies its decision to the county auditor, and this decision is final.

The law has certain significant features: (1) taxpayers must file written protests by the first Monday in September; (2) the state board must make a final disposition of all appeals by October 15th of each year; (3) the number of protesting persons in each municipality must equal one-fourth of one per cent of those voting for the office of governor at the last general election, must never be less than ten, and three of them must have appeared and made objection, either general or specific, to the action protested; (4) initial hearings of the protests under designated deputies must be held in the county or one of the counties in which the municipality in question is located; (5) at the hearing the burden will rest on the objectors with reference to items which were included in the budget of the preceding year, but on any new item or increase in any item the burden shall rest on the certifying or levying board to show it to be necessary, reasonable, and in the interests of the public welfare; (6) the state board has no power to increase budgets, tax levies, or assessments or any item contained therein; (7) the state board may authorize necessary expenses, but in the retention of employees for expediting the work it must select them from persons regularly employed in some one of the offices of the members of the board; (8) informality of presentation of objections is encouraged. The hearings are to be simple and informal with one object in mind—prompt determination of the merits of the filed objections; (9) the county auditor is to be the medium through whom the protests are filed and the certificates of decisions are transmitted.

The law went into effect on July 4th. Within thirty days the state board was organized and appointed E. E. Cornwall as secretary. Within the time limit ten appeals were filed.[1] The hearings were held from September 22nd to October 5th. Four of the ten appeals were from city taxpayers. The others were from school district taxpayers. The decisions of the board were announced in the press October 17, 1937. Seven of the appealed budgets were cut for a saving to Iowa taxpayers of $344,178. Two of the three upheld were city budgets, and one of these concerned a firemen's pension fund.

The reasons given for reducing budget items revealed the temper of the state board. Pay increases for firemen and policemen in Des Moines, increased days of work per year for city laborers in Des Moines, and full restoration of teacher salaries were held not necessary. Increased appropriations for parks, playgrounds, and comfort stations, and building improvements to be completed within one year were held not in the interests of the public welfare. Heavy balances in other funds were held to justify transfers to the general fund, a circumstance noted in three of the appeal cases.

With only three months of operation it is too early to know how efficient this state board of appeal has been. It has doubtless made some errors, and it doubtless has discovered loopholes in the law. The errors, however, can be rectified, and after another three months of functioning next year the board will be in a position to make recommendations for amendment to the forty-eighth general assembly convening in January 1939.

George C. Robinson
Iowa State Teachers College

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Voters Rebuff Proposed Spending.—Voters throughout the nation went to the polls on November 2nd in a "no" mood in so far as their attitude toward approving bond issues and extra levies was concerned. Among the major bond proposals, only that of New York State for a $40,000,000 institutional building authorization was approved.

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[1] Budgets appealed and reductions granted in the cases of city of Ames, city of Des Moines, Des Moines independent school district, Saylor Center school district (Polk County), Fremont school district (Clark County), Council Bluffs independent school district, and Dubuque independent school district. No reductions were allowed in the cases of city of Grinnell, city of Dubuque, and Humeston independent school district.

In San Francisco, where four issues totaling nearly $59,000,000 were submitted, $49,250,000 subway and $5,000,000 sewer proposals were turned down, while voters saw fit to authorize issues of $2,850,000 for an airport and $1,600,000 for hospital construction. The subway authorization would have financed construction of a comprehensive rapid transit system designed both to facilitate transportation from the outlying sections of the city and to overcome the city's traffic problem, which has assumed major proportions in the heart of the downtown section.

Cincinnati voters approved an issue of $5,000,000 bonds for flood control, but nearly all of the other large issues went down to defeat. Among the conspicuous failures at the polls were $2,500,000 bridge purchase bonds submitted to the Council Bluffs, Iowa, voters for the acquisition of a privately owned bridge across the Missouri River; $2,500,000 water, sewage, and disposal bonds submitted to the Philadelphia electorate; $2,000,000 school bonds on the ballot in Newark; and $1,039,198 sewer and incinerator bonds authorization for which was sought from the people of Warren, Ohio. Only in one instance is there evidence that defeat of the bond authorization was primarily due to dissatisfaction with the spending habits of the administration. That was in Newark, where charges by the research bureau of the Chamber of Commerce that the bond issue would be in excess of the debt limit were coupled with a major city scandal. Elsewhere the attitude seems to have been, enough is enough.

Questions for the levying of additional taxes were numerous in Ohio, where the stringent 1 per cent tax rate limit has precipitated near-bankruptcy conditions among a large proportion of the state's local units. Four levies in three cities were approved, while nine levies in seven cities went down to defeat. Among the defeated proposals were two in Cleveland and one for Cuyahoga County welfare purposes, as well as an important Cleveland charter amendment, discussed in detail in the finance note above. Other poor relief levies voted down were in Akron, Columbus, and Mahoning County (Youngstown).

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Census Statistics on Local Government Resumed.—Virtually dormant since 1931, when the budget of the division of statistics of states and cities of the Bureau of the Census was drastically curtailed, census publications on local financial statistics are again appearing in circulation. Publication of *Financial Statistics of State and Local Governments* has been resumed.

The division is being quite drastically overhauled by its new chief statistician, C. E. Rightor, with a view to overcoming many of the defects in the census bureau's methods of municipal finance reporting which have long been apparent to municipal research men. Revision of the methods of presenting operating data and determination of a number of moot questions arising in the computation of net debt are among the problems under consideration.

Assisting in the revamping of the division is a special advisory committee, appointed last June by Secretary of Commerce Roper. Charles J. Fox, city auditor of Boston, is chairman, while other members of the original committee are Frederick L. Bird, director of municipal research, Dun and Bradstreet, Inc.; Welles A. Gray, finance department, Chamber of Commerce of the United States; A. M. Hillhouse, of the National Committee on Municipal Accounting; and Dan O. Hoye, city controller of Los Angeles. Recently Carl H. Chatters, executive director of the Municipal Finance Officers' Association, has been appointed a member, while a representative of the National Association of State Auditors, Comptrollers, and Treasurers is yet to be announced.

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Teachers Recommend Tax Reform.—Attacking constitutional tax limitation and the inequitable assessing of real estate, the Southeastern Zone New York State Teachers Association committee on taxation recently recommended to its members a five-point program for reform of the ad valorem property tax to secure more school revenue. The association's committee, of which Superintendent William H. Holmes of the Mount Vernon public schools is chairman, attacked particularly the proposal for a 1½ per cent over-all tax rate limit for New York State, twice defeated by the state legislature and likely to reappear at the forthcoming constitutional convention.

Among recommendations of the committee were study of real estate taxation and assessment by school boards, parent-teacher groups, and teachers; appointment of a study committee; propaganda directed toward the education of the localities on assessment and taxation problems; treatment of the subject by the association at its next general session; and support by teachers of "scientific, nonpolitical county tax commissions in the several counties."

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Indiana Tax Rate Limit Due for Test.—As we go to press, word comes that Lake County, Indiana, and its twenty-seven subordinate governmental units present a situation in which the new Indiana tax rate limit will stand its first test. In all but one of the units combined budgets will result in taxes in excess of the maximum rate, and efforts will be made before the state tax board when it meets at Crown Point to have the excess levies approved as justified by emergency conditions.

Numerous local taxpayers' groups are prepared to fight the granting of authority to levy the excess amounts, and are said to have worked out suggestions for specific reductions which will permit the rates to be held within the applicable limits without jeopardizing standards of service. After the state board hears the protests it is expected to take the matter under advisement, with its official ruling on the 1938 budgets due late in November or early in December. The over-all rate limits in question provide for a maximum levy of $2.00 per $100 in urban places and $1.50 in rural places.

PROPORTIONAL REPRESENTATION

Edited by George H. Hallett, Jr.

New York's First P.R. Election.—A full account of New York City's first use of proportional representation will appear in next month's issue of the REVIEW. Because of a delay due to legal proceedings the count in the borough of the Bronx was only completed on November 30th. All the counts were well organized and proceeded smoothly if somewhat slowly, the Manhattan count of over half a million ballots being completed in eighteen working days of from seven to eight hours each.

The new P. R. voting machines could not be used for this election because of the shortness of time remaining after the court of appeals' decision upholding the constitutionality of P. R. last spring. The successful conduct of this election even with paper ballots demonstrated the practicability of P. R. in districts as populous as would ever be required for state legislatures or the national House of Representatives.

The election gave New York a council of twenty-six members, the result of allotting each borough one member for every 75,000 valid votes it cast for councilmen, with an additional councilman for a remainder of 50,000. Fourteen of the twenty-six were elected with Democratic endorsement, though one had broken with the organization before the election too late for the endorsement to be withdrawn. The other members include five American Labor party candidates, three Republicans, three independents with City Fusion party endorsement, and one unattached independent. Ten of those elected were on the ticket of the Citizens' Nonpartisan Committee headed by Judge Seabury.

The new council contrasts strikingly with the old board of aldermen, which consists of sixty-two Democrats and three Republicans, both in its composition and in the higher qualifications of its membership. It contrasts similarly with the New York City delegation to the state assembly elected the same day by the district plurality plan, fifty Democrats, eight Republicans, and four American Labor.

P. R. has given representation to a much larger number of individual voters. The valid vote for councilmen was over two million, within 100,000 of the valid vote for president of the council on the voting machine, and 81 per cent of those who cast valid votes helped elect someone for whom they voted.

Since the election the *Daily News* has withdrawn its support of P. R. because of disappointment with the length of the count and the failure to get a clear anti-machine majority, but the *Times*, the *Herald-Tribune*, the *World Telegram*, the *Post*, and the *Brook-*

lyn Eagle have all carried editorial commendations of P. R. and its results. One of these is reproduced below:

"P. R. Makes Good" (An editorial in the *New York World Telegram,* November 24, 1937).—"Completion of the council vote tally in Manhattan, with its final score of three Tammany members and three anti-Tammany members representing separate political designations, shows one thing that has been expected all along—that many voters who plumped independently for La Guardia and Dewey followed organization advice in choosing their councilman.

"That, however, is the least important fact of the count. The significant fact, which no longer can be left to speculation, is that P. R. has made good in improving the quality of man-power in the council and breaking Tammany's old notorious unfair predominance in the government.

"In the present board of aldermen, Tammany Hall, the Manhattan organization, has twenty-two members, or about 34 per cent of the total. In the new council the hall will have three out of twenty-six, or about 11 per cent, which is a big plenty for its actual share in the city's population.

"In the present board of aldermen, the allied Democratic machines have sixty-two out of sixty-five members, whereas in the council, it is estimated the Democrats will reach their maximum if they get thirteen out of the twenty-six. Whatever the precise figure the councilmen over whom President-elect Newbold Morris presides will be representative of the whole city, and not of the political organizations, as no aldermen in living memory ever have been. That is clear gain of the finest sort.

"The anti-Tammany victors in Manhattan justify the hope that the council will make a positive independent contribution to good government. The trio together combine experience, youthful enthusiasm and practical idealism. With them pulling together with others of similar quality to be seated from other boroughs, the council must be an altogether alive part of the city government. It cannot be made the headquarters for obstruction and political horseplay which the board of aldermen was.

"The long count, three weeks for Manhattan, still longer for Brooklyn, Queens, and the Bronx, has been discouraging. Voting machines can remedy that. The encouraging thing is that proportional representation, in spite of die-hard opposition, has made good."

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The Cincinnati Councilmanic Election.—The City Charter Committee won its seventh consecutive victory in maintaining nonpartisan government in Cincinnati. The fight this year was a very bitter one. Forty candidates were in the field divided as follows: nine charter candidates, nine Republican candidates, nine Roosevelt-Democrats, four Bigelow-Democrats, and nine independents. The local Democratic organization adhered to its past arrangements and did not put a ticket in the field, taking the position that national politics should have no connection with the local city election. It endorsed three of the five Democratic candidates nominated by the City Charter Committee. The Roosevelt-Democrats put a ticket of nine in the field on the basis that support of the New Deal at Washington required the election of Democrats for the city council pledged to support President Roosevelt. The Bigelow-Democrats nominated four candidates under the leadership of Congressman Herbert S. Bigelow, on the general program that the best interests of the city required the election of a more radical councilman than either the Republicans or the Charter group had nominated. It will be recalled that Mr. Bigelow had won election two years ago to council and had then resigned his position to run for Congress and had been elected to Congress on the Democratic ticket. The vacancy in council created by his resignation had not been filled by reason of the fact that council after his resignation was divided, four Republicans and four Charter representatives. The nine independents represented every shade of political faith from a representative of the WPA workers to two ward captains of the Democratic organization, who ran in protest to the platforms of the Democrats, the Roosevelt-Democrats, and the Bigelow-Democrats as well as to the Republican and Charter tickets.

Total votes cast were 150,415 of which 8,444 or 5.6 per cent were invalid. The quota was 14,208. The tabulation of first-choice votes showed Republicans 44 per cent, Charter 37 per cent, Bigelow-Democrats 7.4 per cent, Roosevelt-Democrats 4 per cent, and independents 7.6 per cent. No candidate was elected on first-choice votes. Mayor Russell Wilson, however, came within nine votes of election. He also carried seven out of the twenty-six wards. He was elected upon the first transfer. Mr. Gradison, a Republican, was the next candidate elected on the twenty-fourth count. Mr. Waldvogel, a Charter candidate, and Mr. Klein, a Republican candidate, were elected on the 29th count. Mr. Cash and Mr. Taft,[1] Charter candidates, were elected on the 32nd count. On the 33rd count the tenth man, Albert Niemeyer, was eliminated, electing James G. Stewart, Republican, Dr. McClain, a colored candidate, Republican, and Wiley Craig, a Bigelow-Democrat. The distribution of the Niemeyer vote was continued until these three candidates had each received the full quota, 14,208.

It can be seen that in this election, as in all preceding Cincinnati elections, every one of the nine candidates elected received a full quota.

The count justified the theory and practice of proportional representation. The Republicans on first choice votes had 44 per cent and elected four, the Charter had 37 per cent, but a large portion of the scattered independent vote returned to the Charter candidates upon elimination and at the conclusion of the thirty-first count the vote stood total Charter vote 62,056, total Republican vote 62,521, total Bigelow vote 12,110. The three primary groups received representation on the final count practically in proportion to their original showing. The representative elected by the Bigelow-Democrats, Wiley Craig, is a stationary engineer and a member of the Engineers Union. Mr. Craig is a high class representative and his previous alignments throw him in much closer contact with the Charter group than with the Republicans. He has not been active in politics heretofore, but in 1911 was appointed an employee of the city of Cincinnati under a Democratic reform administration, was discharged from his position by the Republicans, and reinstated as a civil service employee. He then resigned his city position and took private employment where he has remained out of politics until nominated by the Bigelow-Democrats this year. Of course, nothing can be told with certainty about the organization of council until after January 1st, but the line-up of the various groups would seem to indicate the re-election of Russell Wilson as Mayor and the retention of Colonel C. O. Sherrill as city manager.

Henry Bentley

Cincinnati, Ohio

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Toledo's Second P. R. Election.—Following the special election on September 21st, when Toledo voted two to one to keep its city manager charter with the small nine-man council elected by P. R., attention turned to the selection of councilmen. This year, nineteen candidates qualified to go on the ballot, considerably less than in 1935, when fifty-eight candidates participated. Due partly to the small number of candidates running and partly to the fact that, after the excitement of the special election, the councilmanic election seemed to be an anti-climax, the public was comparatively indifferent and a light vote was generally expected.

While practically all of the candidates ran campaigns for themselves from their own headquarters, city-wide campaigns were conducted by the City Manager League and other organizations with endorsed slates. Both factions of the local Democratic party backed candidates, as did the CIO, which endorsed seven, but worked intensively for two. The City Manager League modified the policy which it adopted in 1935, when it endorsed and campaigned for nine candidates, and came out in favor of twelve, including seven members of the present council who were seeking re-election and five others in the race. The league campaigned vigorously for all twelve candidates throughout the city. A ward and precinct organization which had been established in the special election was called into action to distribute literature and bring voters to the polls. Sixty thousand copies of a "Voters' Directory," giving the records of the candidates endorsed by the league and urging their support as "friends of good government," were distributed during a house-to-house canvass.

In addition, the league made use of radio, newspaper, and direct mail advertising to familiarize voters with the names of its endorsees. A pledge signed by the league's candidates to preserve the city manager form of government and adhere to the non-partisan, non-patronage spirit of the charter was featured. League workers and speakers also gave educational talks and demonstrations on the P. R. method of voting.

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[1] Charles P. Taft, former county prosecutor of Hamilton County, Ohio, son of the late president and chief justice.—Ed.

The Democratic and CIO campaigns were conducted with comparatively little publicity and followed the usual district organization lines. The local Republican party maintained a "hands-off" attitude, although individual district leaders threw their support to Republican candidates.

After an orderly election, it was found that a total of 61,817 ballots had been cast, of which 58,160 were valid. The ballot boxes were taken to the Waldorf Hotel, where the count took place under the supervision of William E. Galvin. Following one day spent in preparation and in training the clerical staff, the count was completed in three days. As in 1935, there was considerable public interest, hundreds of visitors appearing at the central counting place to observe the work of sorting ballots and follow the progress of the count.

Four candidates were elected on first-choice votes, including the Polish-American candidate who had been defeated by four votes in the previous election, the present mayor, vice-mayor, and a former mayor. All members of the present council running again, with one exception, were re-elected. Eight out of nine elected had the endorsement of the City Manager League. The results were interpreted as a vote of confidence in the administration of City Manager John Edy and a mandate from the people to continue his program of conducting the affairs of the city on a non-partisan, business basis.

On the whole, a representative council was chosen. With the exception of the south side, all major geographic divisions of the city are represented. The east side, which elected only one councilman in 1935, elected two this year. Labor failed to elect any out-and-out labor men, but will be represented by councilmen endorsed by the various labor groups.

Other breakdowns show that seven Republicans and two Democrats were elected, consisting of four Protestants, three Catholics and two Jews; four members of council are lawyers; others include a druggist, a freight agent, two engineers, and a factory executive.

In general, the election again proved that the claims made by the friends of P. R. are fully justified from actual practice. On the whole, Toledo is well satisfied with the results of its second P. R. election.

Allen H. Seed, Jr.
Toledo City Manager League.

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Hamilton's Sixth P. R. Election.—Hamilton, Ohio, a city of about sixty thousand, located just twenty-five miles north of Cincinnati, held on November 2, 1937, its sixth P. R. election to choose seven councilmen. The counting of ballots, under the direction of Horace Champney of the Fels Institute at Yellow Springs, was conducted in a public auditorium, commencing on the morning of November 3rd and continuing until early on the morning of November 4th. Valid ballots numbering 14,309, about the usual number, were cast with only 28 blank ballots and 513 invalid ballots, both materially less than in any past election.

Every candidate was pledged to the continuance of the efficient, businesslike administration enjoyed by the city under its city manager-small council charter ever since its adoption ten years ago.

The charter commission, a small informal group which has continued to nominate and support independent candidates since the adoption of the charter, and a majority of whose candidates has been in control of council all of this time, felt it necessary this year to include in its platform a plank against slot machines and other forms of gambling rackets. It was feared that these rackets, if allowed to operate, would ultimately corrupt the city administration or at least raise that suspicion in the minds of voters.

The Democratic organization indorsed all of the present seven members of council, six of whom had been on the charter commission ticket two years ago. This organization, at a rather late time in the campaign, also publicly expressed its opposition to slot machines, but the candidates indorsed by the organization made no individual pledges, and in fact most of them were recognized as being liberal on the gambling issue.

Six of the present councilmen were re-elected. Of these Mayor Burke and one other were on the charter commission ticket this year and all the others were elected on the charter ticket originally. Mr. Bruck was replaced by Mr. Toerner, a candidate supported by the labor interests of the city. The new council is recognized as equal to any elected in the past. Mr. Burke will again be elected mayor and the administration, under the able leadership of Russell P. Price, city manager, is expected to continue, free of any political interference or demands for patronage. The issue on the gambling rackets was so confused in the minds of voters that it is impossible to predict just what attitude the new council will take on this issue. It is generally believed, however, that the gambling rackets will be substantially curbed, if not eliminated entirely.

It is apparent that Hamilton is well satisfied with the splendid results achieved under its manager charter and with the election of a small council by P. R. as the only assurance for a continuance of the present splendid condition of the city.

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Boulder Holds Another P. R. Election.—The election in Boulder again demonstrated the value of P. R. in giving representation to a minority group. Three candidates ran on a platform of municipal ownership of the light plant. The first-choice votes of these three totaled 600 out of a total of 2,177, or 27 per cent, and they succeeded in electing one of the three as a member of the council. Two years ago this same group of voters elected a member; and four years ago also a candidate was overwhelmingly elected on the municipal ownership issue.

Boulder elects only three of its nine councilmen every two years, the term of office being for six years. All three of these public ownership advocates, therefore, are on the present council. These forces have consistently had about a third of the voters behind them so that under P. R.—even with staggered terms which advocates of P. R. do not believe necessary—the group has actual representation in proportion to its voting strength.

The *Boulder Camera* of November 3rd said of the election: "The theory of the Hare system of voting—to give representation to a substantial minority—was demonstrated again as the twenty members and assistants of the canvassing board labored through four counts from 9:05 p. m. to 11:35 p. m., [two and a half hours] completing their task at the earliest hour of any recent municipal election."

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

Edited by Robert M. Paige

Institute of Public Administration.—Research work which staff members of the institute currently have under way may be summarized briefly as follows:

State Reorganization Programs. An appraisal has been made of the results to date of the reorganization carried out in Tennessee under Governor Peay in 1923. The health and welfare organization in the state of Maine has been re-examined for the purpose of seeing what results have been achieved since the reorganization was undertaken in 1931. At the present time, the institute is participating in the survey of welfare institutions in the state of Massachusetts. A year-long study was undertaken for the New York State planning division with the aid of WPA workers on the problem of premature urban land subdivisions and its effect upon municipal finance; the report on this study is now in press and will appear as a state document.

Pittsburgh Police Survey. A detailed field analysis of police patrol in Pittsburgh is being carried through preparatory to the reorganization of the force.

Canadian Fiscal System. The institute has been spending some time on this subject over the past two and one-half years, and a report covering the study has been completed and will be issued subsequent to the release of a report by the Canadian dominion government in December or January.

New York State Constitutional Convention. In anticipation of requests for help at the time of this convention, the institute has been gathering materials on (a) reorganization of local government in the submarginal areas, and (b) the problem of public utility taxation by local government.

Regents' Inquiry. Dr. Gulick has served as the director of research for the Inquiry into the Character and Costs of Public Education in the State of New York, conducted for the

Board of Regents of the University of the State of New York. This monumental two-year study is now drawing to a close.

Administrative Management. A good deal of the time of the director of the institute has been taken up by his work in connection with the President's Committee on Administrative Management. The institute's most recent publication is *Papers on the Science of Administration,* edited by Luther Gulick and Major L. Urwick, who each contribute papers to the book. This volume is being enthusiastically received in the fields of both government and industry.

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Springfield (Mass.) Taxpayers' Association.—Helpful, nonpartisan coöperation with Springfield's duly elected and appointed city officials in attempting to solve problems of municipal organization and administration has been the determined aim of the Springfield Taxpayers' Association during the past twelve months. This policy, with the emphasis on coöperation rather than faultfinding, is definitely in line with the purposes of the association as set forth in its by-laws.

Outstanding among the year's accomplishments has been the quiet but successful "selling" of two major ideas to the mayor and the city council: (1) the extreme desirability of bringing Springfield's present city charter more nearly up-to-date through possible revision or amendments; and (2) the urgent need for setting up a stabilized, business-like classification of all positions, salaries, and wages in the personnel service of the city which will eliminate the inequalities and discrepancies of the hit-or-miss system now in use.

These two projects alone, in the opinion of the association, if carried to proper conclusions by the official committees now having the matters in charge, cannot help but produce far-reaching results in effecting additional economy and new efficiency in Springfield's city administration.

Revision of city charter. The association stressed the importance of modernizing the present city charter, adopted originally in 1852, which has been spasmodically amended since that time. It was suggested that an official committee be made up of city government members, both past and present, to include the present mayor and city solicitor, at least one former republican mayor and city solicitor, and one former democratic mayor and city solicitor. An order calling for the appointment of such a committee was enacted by the city council and an unusually able group of eleven members is now at work.

Classification of personnel. Last year, the association urged a "thorough survey of personnel, salaries, and wages in all municipal departments as a means of determining what departments are overmanned or undermanned, and what employees are overpaid or underpaid." The city council appointed a special council committee to make the survey. Later this council committee made a comprehensive report recommending the adoption of a classification of personnel service similar to that now employed by the division of personnel and standardization of the Massachusetts Commission on Administration and Finance.

After commending the council survey committee for its findings, the association suggested that the firm of Griffenhagen & Associates, which set up the state system in 1926, be employed at once to assist in devising a classification plan. This suggestion has been adopted, an appropriation of $3,800 voted, and the Griffenhagen concern is now at work.

Centralized purchasing. The association has continued its advocacy of a centralized system of purchase and supply for the city, anticipating a saving of at least $100,000 annually and the elimination of charges of favoritism in municipal buying. Early in the year, a meeting was held at which Joseph W. Nicholson, city purchasing agent of Milwaukee, Wisconsin, was the speaker and members of the city government were guests. The city council adopted an order calling for the appointment of a special city council committee to report a recommendation. This committee is now at work.

Survey of public welfare. Early in 1936 the association advocated an expert survey of the welfare department by an outside agency operating under the direction of a special city council committee studying the problem at that time. The suggestion was adopted and Public Administration Service was employed. Its report was filed in July 1936, after which the council committee submitted an independent report. The association has since maintained a special committee of its own for agitating early adoption of the recommendations which have come out of the survey.

Other municipal matters. At the state election last November, the voters of the city were asked to pass upon a law setting up a new contributory retirement system for municipal employees. The association studied the proposal and publicly announced approval of the idea in principle. The referendum resulted favorably and the new system has been put into effect.

This summer the association raised a question regarding a police department request for an addition of twelve men to the force. The city council was furnished data showing Springfield's police personnel on its present basis to be one of the largest in the country compared with cities of similar size and type. The order was tabled.

Recently the coöperation of the association has been proffered the health department in helping to arrive at the best possible solution to the problem of the maintenance and operation of the isolation hospital. In 1933 the association assisted the administration in making a careful study of the city's hospital facilities, both private and public, especially as they applied at that time to the problem of institutional care for the city's welfare recipients.

Miscellaneous activities. During the past year, the association has further developed its contacts with other city, state, and national municipal research organizations with a view to exchanging experiences and information.

The association has been represented at three annual national conferences: (1) of the National Municipal League at Toledo, Ohio, November, 1936; (2) the Governmental Research Association at Ithaca, New York, in August; and (3) the Municipal Finance Officers' Association at Boston, in September.

During the year the association moved to more commodious quarters at 1275 Main Street, opposite Court Square, and directly facing city hall.

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Kansas City Civic Research Institute.—For several months in the winter and early spring, the institute was without a director, the second director in its history, Edward W. Harding, having resigned to join the staff of Public Administration Service. This year the notable feature of the institute's program is its scope for the future.

In October, at the time of the seventeenth anniversary of the institute, the board of trustees announced a new program of expansion to meet changing conditions. In order to go ahead with the three-fold plan formulated earlier, which includes regional planning, financial control, and administrative techniques, the institute has added Eugene Dietrich, Jr., and John Duncan Spaeth, Jr., to the research staff. These men are well trained and have had considerable experience in their respective fields of accounting and planning.

A quiet campaign was begun to broaden the base of citizen support and to renew that support which was withdrawn or halted during the depression, and the financial position of the institute is being stabilized by this effort.

The Missouri legislature passed a law, somewhat at variance with the one long worked for by the institute, which provides for permanent registration of voters in Kansas City. Recently, the governor appointed four well qualified men to the new election commission and it now appears that Kansas City has an opportunity to have honest elections for the first time in years.

In collaboration with the Chamber of Commerce and the faculty and students of the social sciences of the University of Kansas City, a detailed study of the "Economic and Social Statistics for Kansas City" is under way. "The Cost and Volume of Social Welfare Activities in Kansas City, Missouri," released early in the year, has been in wide demand by individuals and by outside organizations.

The institute's weekly publication, *Public Affairs,* has publicized several matters which might well be the subjects of major reports. These include social and economic characteristics of Kansas City, actual tax comparisons between Kansas City and other cities, an appraisal of the reorganized fire department and fire-fighting methods, ways to solve the downtown parking problems, metropolitan land-use, services and population movement, and ten-year financial trends of the city and the school district. For example, in connection with the last named subject, deficits were disclosed in the sinking fund, which in the case of the city came to nearly ten million dollars, and in the case of the school district, about five million dollars.

Corbett Long, *Director*

Chicago Civic Federation and Bureau of Public Efficiency.—In the December 1936 issue of its *Bulletin*, this agency presented a preliminary survey of the 1937 budget situation of the several major governments of Chicago, urging that these budgets be built with a view to keeping the gross 1937 tax levy well within the 1935 total of $175,400,000.

Citizen groups throughout the city were circularized with information concerning budgets, and the civic federation suggested prompt communication with all public officials responsible for appropriations and expenditures. Responses to this action were numerous and effective.

The federation recommended that the Chicago park district commissioners' levy in the amount of $9,000,000 for 1935 and 1936 be cut in 1937 to $8,000,000. The commissioners made a tentative budget within their legal tax rate of .30 which brought the total amount to about $6,000,000. However, they strenuously sought a renewal of their $9,000,000 levy authority from the legislature. Ultimately, the legislature gave them $7,600,000—even less than the amount recommended by the Civic Federation and Bureau of Public Efficiency.

The executive secretary of the federation, Douglas Sutherland, has been named by President Dunham of the Chicago park district, to serve on a committee to investigate the finances, policies, and administration of the district since its inception in 1934.

The federation urged the finance committee of the city council, at its public hearings, to keep appropriations within the sum known to be available from current revenues; presented recommendations at the public budget hearings of the Chicago board of education and of the Cook County commissioners; and presented a statement commending the budget of the sanitary district.

A representative of the federation attended all sessions of the Illinois general assembly and the house and senate committees which dealt with problems of public finance and taxation. Legislation for the preadjudication of tax levies before extension was endorsed. A law applying the principle of preadjudication to levies of the six major Chicago governments has been enacted. Also, the civic federation has begun an intensive study of practices and methods used by these six major governments in reporting their financial and operating activities to the public.

The fourth annual study of debts, taxes, and assessments was published and the demand for these studies is constantly increasing, not only in this community, but among many financial houses throughout the country.

The attention of the governor was called to the fact that a number of the pension bills, submitted by the legislature for his approval or veto, were unsound. All but one of these bills were vetoed, that one becoming a law without his signature. Since this experience, steps were taken in preparation for legal action, if necessary, to defend pension funds against undesirable or unsound practices.

*

Public Administration Service.—A significant development in the program of Public Administration Service during the past six months has been the establishment of a western office in Berkeley, California, with Messrs. L. W. Hoelscher and O. W. Campbell in charge. The office is now serving as headquarters for the administration of five projects under way in the vicinity.

Until recently the activities of Public Administration Service had been largely centered in the middle western and east coast areas, and were administered without difficulty from the headquarters office at Chicago and the New England office at Boston. An increasing number of requests for assistance from Pacific coast governments, however, made it desirable to establish an office in that area, thus making it possible to reach virtually all of the more populous sections of the country by an overnight train ride from one of the offices.

Recent projects of Public Administration Service have been in the police, accounting, finance, public works, public welfare, and personnel fields. Two of the personnel jobs have been for state governments. One of these, a personnel installation for the state of Kentucky, included the preparation of position classification and salary plans for the entire state service. The other, still under way, involves the setting up of the new state civil service system in Arkansas, including the establishment of a state personnel division, preparation of classification and compensation plans, drafting of personnel rules, development of examination and other operating procedures, and the installation of forms and records.

Public Administration Service has recently assumed responsibility for the administration of the research and survey program of the Massachusetts Commission on Taxation and Public Expenditures. A report has been completed on state financial administration and other reports will be prepared covering the following activities: revenue collection, public welfare, personnel and civil service, administration of fiscal affairs, budgetary procedure, public works, police and safety, and the work of the metropolitan district commission.

In Greenwich, Connecticut, the police department has recently been completely reorganized and effective systems of records, police training, and recruiting installed. The manual which was prepared as a result of this reorganization has been published and made available through the publications division of Public Administration Service. It contains recommendations and forms which will be of value and interest to police departments with less than a hundred men. A similar reorganization, although on a more restricted scale, is now being conducted in the Fresno, California, police department.

In Minneapolis a reclassification survey covering employees under the city council, park board, and board of education is being conducted, while in Fort Worth, Texas, a complete system of personnel administration is being designed and installed. Brief reports have been submitted to the city of Miami Beach, Florida, on a proposed pension system, an ordinance establishing the administrative organization of the city, and the establishment of a department of personnel.

Four personnel projects are at present being prosecuted on the west coast and a fifth has just been completed. Modern systems of personnel administration are being developed and installed for the cities of Coalinga, Roseville, and Alameda, California, while in Stockton a charter amendment, ordinance, and rules providing for a civil service system have been revised and submitted. An important assignment is in progress in Seattle, Washington, where present personnel practices are being reviewed and classification and compensation plans installed.

Personnel projects which were concluded during the past six months include the joint personnel administration system set up for the division of unemployment compensation and the department of public welfare in Indiana and the program of demonstration personnel installations in some of the cities of Michigan. Installations have been made in Saginaw, Flint, and Dearborn, and a fourth, in Kalamazoo, is almost completed.

In addition to the municipal personnel installations, there are two other projects now under way in the state of Michigan. One of them is the installation of a central accounting system for Wayne County (Detroit). The other is the development and installation of improved budgetary, central accounting, and expenditure control systems for the state government.

Other current projects include a review of the department of water, light, and power of Springfield, Illinois, and installation of recommended procedures; installation of proposed improvements in the refuse collection system for the department of public works in Montclair, New Jersey, and an administrative survey and drafting of an administrative code for Wheeling, West Virginia. In Florida a report of *The Municipal Charter Problem* was prepared after a study of the present situation. The report, which is also available through the publications division of Public Administration Service, consists of a discussion of the problem of state control and recommendations for constitutional and legislative revision.

Two Public Administration Service staffs have been operating in Albany, New York, during the past six months. One of them was completing the all-cost studies of public school operation for the inquiry into the character and cost of public education being made for the board of regents of the state department of education. The other was concerned with the reorganization of the state department of social welfare.

A second welfare project is nearing completion in the state of Kentucky. A report is now in process covering the development of better means for coördination, control, and management of the state's institutions.

City Club of Portland, Oregon.—Eighteen months have passed since we last had the pleasure of reporting our research activities to the readers of the REVIEW. During the past year and a half the City Club has published reports on thirteen election measures which appeared on the ballot in November, 1936. A report in the field of city planning, on the development of a waterfront arterial highway and park along the west side of

(Continued on Page 620)

RECENT BOOKS REVIEWED

EDITED BY ELSIE S. PARKER

Proportional Representation—The Key to Democracy. By George H. Hallett, Jr., Washington, D. C., National Home Library Foundation, 1937. x, 177 pp. 25 cents.

George Hallett's little book on proportional representation is a most useful collection of the kind of information about P. R. that one needs in conversation. Of course, in some cities P. R. is not a subject of conversation, that is, not yet. But if you live in a city where your council has recently been elected by this interesting method, then you had better get George Hallett's book and become intelligent and vocal on the subject.

It was written for use in the New York City campaign. It therefore avoids confusion by describing in detail only the fixed-quota election, and does not refer at all to the possible surpluses which may be achieved with a variable quota in Cincinnati or Toledo. However, this does not in any way detract from its usefulness to a person who is trying to get the meat of the idea and its operation. Speaking of meat, the author demonstrates in most satisfactory manner that the irritating argument about a person's right to vote for all the candidates, instead of having his vote count for one, is baloney (see page 36).

The reviewer found only one error of fact (page 63), which is an extraordinary tribute to Mr. Hallett's accuracy.

A few comments on the experience in Cincinnati are perhaps of interest. Mr. Hallett says (page 64), that the voter "can nominate and vote for the candidates he really wants, whether he thinks they are likely to be elected or not." Unfortunately, as people become "smart" about the way P. R. works, they do begin to think about whether a person has any chance to be elected and whether a person who is not really their first choice does not need a first choice vote more than their real favorite. It is impossible to know the exact effect of this kind of figuring, but it is becoming unquestionably an important element in Cincinnati elections.

It is also true that when a reform group gains control, as in Cincinnati, and the political machine gradually achieves some measure of intelligence, it tries to put up candidates who will draw from the type of person who has been successful on the dominant ticket. The effect of this was clearly seen in our Cincinnati election of 1937, in which the first four candidates who were defeated on the Republican ticket, which opposed the Charter ticket, gave transfers to the Charter group in the following percentages: 27 per cent, 36 per cent, 29 per cent, 38 per cent.

This accounts for the fact, so disappointing to the Republicans, that, although they had 10,000 more first-choice votes than the Charterites, they succeeded in electing only the same number, four, to council.

We have also observed during nearly our whole experience the way in which the proportional representation council works together. There was perhaps some break in that record during the last two years, but if the first few meetings of the nine new councilmen are any evidence at all, the old cooperative attitude has reappeared.

Mr. Hallett, however, does not give sufficient emphasis to the extent of criticism of P. R. which develops during the election, and for a brief period after it. It takes a little time, during which the electorate has a chance to see just what council it has elected, before it begins to appreciate again that proportional representation has a lot to do with the success with which it has exercised its suffrage. This criticism comes about for two reasons: first, because the length of the count does lead people to try to understand just how it operates, and to create irritation when they do not quite see. The second reason is that where there is religious and racial feeling, it comes a little more into the open under P. R. than under some other forms of election. My own observation would indicate that P. R. does not increase that kind of feeling, but that it does recognize the existence of minorities of all kinds instead of permitting that kind of prejudice to fester underneath.

One objection which Mr. Hallett does not refer to came from many Republicans in Cincinnati in the early days. They wanted a list system because they said that the least desired candidates on the Republican ticket were the ones who were always elected. They failed to see that the Republicans who were elected were really representative of the bulk of the voters who supported the Republican ticket, while their respectable candidates were not. There, it seems to me, is the most important thing about P. R. The council which is elected is always, I believe, representative of the active political viewpoints of the community. If the calibre of the council goes down somewhat, as it has occasionally done with us, that is primarily because the political interest of all the citizens has gone down. Even then, those who are elected are good representatives of all the citizens. It seems to me that nothing more can be asked of an electoral system, but it seems to me also that at least that should be required of any system.

Mr. Hallett's infectious enthusiasm for the extension of P. R. to the election of state legislatures, and even of the national Congress, all of course with a party designation, has sound political philosophy to support it, and the quality of the new council in Cincinnati is the best practical example to prove his case.

Charles P. Taft

Cincinnati, Ohio

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The Book of the States—1937 Edition (in two volumes: (1) **A Handbook of the States**; (2) **The Interstate Minute Book**). Chicago, Council of State Governments, 1937. 400 pp. and 211 pp. respectively. $2.00 each; $3.00 if purchased together.

One of the outstanding phenomena of this century is the effort, under the leadership of the Council of State Governments, to bring about interstate coöperation on common problems as "a compromise between the tyranny of centralization and the anarchy of decentralization."

The progress made by this organization in recent years, under the leadership of Henry W. Toll, executive director, is well known to students of government.

The *Handbook* (volume 1), the second of its kind, stands on its own merit as a standard reference manual which is valuable to public officials and others interested in government, although it is a companion volume to *The Interstate Minute-book*, which contains minutes of conferences held by state officials on problems of interstate concern during the past two years.

The *Handbook* provides a description of the organization, a record of accomplishments, and a descriptive list of other organizations in the field of government in part 1. Part 2 provides rosters of chief elective officers and legislators of the states, together with tables of complete information as to names, terms, salaries, powers, etc., besides forty-eight sections of two pages each, devoted to the forty-eight states, preceded by tables of comparative material concerning the states.

In compiling and organizing this volume, Miss Phyllis Opper, with the assistance of Miss Margaret Casmon and other members of the staff of the Council of State Governments, has provided in readily available form a vast amount of material not available in any other convenient form.

Book 2, the companion volume, presents a "living record of the development of thought on problems of interstate significance as it is expressed by the statesmen who are most actively engaged in the solution of these problems," according to the foreword by Mr. Toll. While this book, containing the minutes of conferences held by state officials on interstate problems, does not pretend to cover the entire activity of the Council of State Governments, it is particularly valuable and significant in that it casts light on the development of thought, policy, and action during the pioneering stages of interstate coöperation.

Alfred Willoughby

The March of City Government, Cincinnati (1802-1936). Cincinnati, Municipal Reference Bureau, 1937. 32 pp. Single copies free.

Cincinnati's growth from its inception down to the present time is the subject of this little booklet recently issued by the Cincinnati Municipal Research Bureau. It contains numerous tables which set forth the growth of the city in population, services performed by the local government, increases in assessed valuation, expenditures, debt, etc. It is of interest to note that in 1802 the city performed twenty-one services for its inhabitants; by 1936 the number had risen to 358.

*

Local Government in New Jersey—Readjusting Local Services and Areas. Princeton, New Jersey, Princeton Local Government Survey, 1937. viii, 64 pages.

This is the third of the pocket report series of the Princeton Local Government Survey. It discusses the multiplicity of local governments throughout the state, setting forth possible solutions of the problem, i.e., fiscal assistance, reallocation of functions, consolidation of units of government, coöperation between local government units, etc.

According to the report, these things "can be brought about by planning, guidance, and control which will make it easy, and in some cases essential, for municipalities to adjust their services to effective service areas."

The pamphlet contains a series of maps showing the numerous authorities dealing with roads, health and relief, schools, etc., with another setting up a proposed readjustment of local services in New Jersey in accordance with the recommendations of the survey.

*

Additional Tourist and Trailer Camp Regulations. Washington, D. C., United States Conference of Mayors (Report 149), 1937. 54 pp. mimeo. $1.00.

Contains ordinances on trailers and trailer camps for Pasadena, Detroit, Seattle, Portland, Long Beach, San Francisco, and the state of New Hampshire; also proposed ordinances for Cleveland, Lansing, Akron, and the state of Oregon.

RECENT NEWS REVIEWED

(Continued from page 617)

Portland's Willamette River has been published, and three reports on the type of authority which should be created to administer the Bonneville Dam and sell the power generated have also been released.

Two reports dealing with matters before the last session of the Oregon legislature, on the need for sufficient funds for Multnomah County's Doernbecher Hospital for Children, and on various phases of wild life conservation, were published while the legislature was in session.

The highly controversial issues raised by Supreme Court proposals of President Roosevelt were aired by a five-man committee which split three ways and published three reports: two opposing the President's plan, and one advocating its passage by Congress.

Reports on the assessment of real and personal property in Multnomah County have been published, as well as an evaluation of the public forum program sponsored by the United States Office of Education in this city in the winter of 1936 and spring of 1937. An extensive survey of the direct primary system of nominating candidates for public office in Oregon has just been published and is attracting widespread attention. This report, adopted unanimously by the club, is noteworthy in that it suggests the application of proportional representation to the election of representatives to the state legislature from Multnomah County. Also recently published is a report dealing with the method of electing directors of our local school system.

C. Herald Campbell, *Executive Secretary*

"It gives me great pleasure to commend this admirable book. The arguments advanced in it in favor of P. R. are unanswerable." From the Foreword, by *Samuel Seabury*, of

Proportional Representation—The Key to Democracy

By George H. Hallett, Jr.

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Current Reprints

In addition to the addresses printed in the November issue of *Legal Notes on Local Government,* the Section of Municipal Law of the American Bar Association has on hand for distribution to its members and to subscribers to *Legal Notes* the following reprints of papers delivered before its annual meeting held in Kansas City, September 28, 1937:

THE LEA BILL AND ITS OPERATION IN THE MUNICIPAL FIELD	*Edmund Burke, Jr.*
THE LEA BILL AND ITS EFFECT FROM THE INVESTOR VIEWPOINT	*Fred N. Oliver*
THE LEA BILL FROM THE VIEWPOINT OF MUNICIPALITIES	*John D. McCall*
RECENT FEDERAL MUNICIPAL DEVELOPMENTS	*E. H. Foley, Jr.*

The Section will continue to make available for free distribution to members and subscribers reprints of important articles appearing from time to time in the leading law school journals of the country. This service is part of the program developed by the Section, which is devoted to all branches of law affecting municipalities and the improvement of local government. The Section invites the membership of all attorneys interested in this field.

ARNOLD FRYE, Secretary
49 Wall St., New York, N. Y.

Applications for membership should be addressed to the Secretary of the Section or to MRS. OLIVE G. RICKER, Executive Secretary, American Bar Association, 1140 North Dearborn Street, Chicago, Illinois.

Requests for reprints may be made to C. W. TOOKE, Chairman, Publications Committee, New York University School of Law, Washington Square, New York, N. Y.